

Wall St. stocks retreat further

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THE JERUSALEM POST

Vol. LIV, No. 16158 Thursday, March 6, 1986 • Adar I 25, 5746 • Jomada Tani 25, 1406 NIS 0.62 (Eilat NIS 0.53)

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Riot death toll 107, Egypt says

CAIRO (Reuter). – Deputy Interior Minister Farouk Heini told the semi-official *Al-Ahram* newspaper yesterday that 107 people were killed and more than 715 wounded in last week's rampage by some 17,000 Egyptian security police conscripts.

But the newspaper's breakdown of those killed showed that the death toll ranged between 114 and 116. There was no explanation by the newspaper for the discrepancy.

Heini told the daily in a late night edition that among those killed in five governorates were two police officers, one army officer and 89 policemen. The rest were civilians, he said.

Heini said that the army and police have so far arrested 650 conscripts and were hunting for 8,011 others at large following the riots that resulted in the destruction of five hotels and other businesses, causing losses estimated primarily at $105 million.

Rabin on Areas: We'll take charge if Arabs don't

By Post Middle East Staff

Defence Minister Yitzhak Rabin told Israel Radio yesterday that if the Arabs in the territories won't take responsibility for their municipal affairs, then the Civil Administration will continue running the municipalities.

"If someone from outside is using fear tactics and terrorism against them, and as a result of this [local Palestinians] do not want to [serve as mayors], we can continue to administer our affairs in Judea and Samaria and in Gaza the same way we have done until now," Rabin said.

The defence minister noted that mayoral candidates in Ramallah and Al-Bireh had withdrawn their names from consideration.

Without Arab mayors, Rabin said, army officers will act as chief municipal officials "until an agreed-upon political solution acceptable to Israel and an Arab government that wants to conduct negotiations with us" is found.

In a related development, supporters of the PLO on the West Bank last night alleged that the Civil Administration had organized the delegations that went to Amman last week to express support for King Hussein. They said Israeli officers had phoned dozens of West Bank residents in Jenin, Jericho and Bethlehem and urged them to participate in the delegations.

Israeli officials said they had put no obstacles in the way of the delegations but denied they had organized them. Israeli sources attributed the allegations to a campaign by the PLO aimed at discrediting Jordan and Israel.

State Dept. man says he erred on PLO-Israel remark

WASHINGTON (AFP). – A State Department official who said Monday that some anti-Israeli attacks by the PLO might be "legitimate actions of resistance" backtracked Tuesday by saying he had made "a mistake."

An embarrassed department spokesman also said that the Monday statement "did not represent the U.S. government's policy."

Gordon Brown, of the Arabian desk in the Bureau of Near Eastern Affairs, made his slip during a televised interview with Gulf journalists for the Worldnet programme of the U.S. information agency.

While the programme was essentially concerned with Arab investment in the United States, Brown was asked a number of times about terrorism.

"I don't want to get into a long discussion of the meaning of terrorism," he said at one point. "Some PLO actions, I would expect, would fall within our definition of legitimate actions of resistance within occupied territories.

"Others clearly... would not."

Questioned on Tuesday, after the Israeli Embassy had asked the State Department for an explanation, Brown said, "I am prepared to say I made a mistake and let it lie at that."

WJC has photos of Waldheim with Nazi general in Salonika

By WALTER RUBY in New York, MOSHE KOHN in Jerusalem and Agencies

The World Jewish Congress said yesterday that it had photographs of former UN secretary-general Kurt Waldheim showing him with a Nazi commander responsible for the deportation of 42,000 Greek Jews and the massacre of thousands of Yugoslavian civilians.

WJC President Edgar Bronfman said Tuesday that Waldheim had engaged in "one of the most elaborate deceptions of our time."

In Israel, a WJC spokesman said the organization has evidence that Waldheim, now running for president of Austria, was "very active" in the German army during 1942-43, and that he was present at two places where large-scale German extermination operations were carried out.

A photograph taken in March 1943 in Salonika shows him standing next to General Alexander Loehr, who has been implicated in the deportation of 42,000 Jews from that Greek city to Auschwitz during March to May of that year.

The WJC says it has documents proving that Waldheim was a member of Loehr's staff in Salonika.



Austrian presidential candidate Kurt Waldheim, the former UN secretary-general, campaigns on Tuesday for the May 4 elections. (AFP telephoto)

Towards the end of May 1943, Waldheim was posted to Yugoslavia. An official SS photo of May 22, found by the WJC, shows him at the Pogorica, Yugoslavia airport with top Italian and German personnel, including Artur Phlets, commander of the crack SS Third Prinzjugend volunteer division.

In Yugoslavia, too, Loehr and his unit were involved in the massacre of thousands of Yugoslav civilians and the burning of villages and food supplies in an effort to destroy the partisan movement.

In the past, Waldheim said that he had served in the German army during World War II, but he was wounded on the Russian front in

(Continued on Page 2, Col.2)



Four Philippine Communist leaders are reunited in President Corazon Aquino's office shortly after they were freed from military prisons yesterday. Left to right are Alex Birondo, Bernabe Buscayno, Jose Maria Sison and Ruben Alegro. (AFP telephoto)

Aquino frees 4 top Communist heads

MANILA. – President Corazon Aquino, ignoring misgivings of the military, yesterday freed four suspected hard-line Communist leaders, including the alleged founder of the rebel New People's Army (NPA). She apologized for the delay in their release. The four were driven with an army escort to meet Aquino at her temporary headquarters in Manila's business district, where she has run the government since deposed leader Ferdinand Marcos fled the country last week.

They were Jose Maria Sison, alleged chairman of the banned Communist Party; NPA chief Bernabe Buscayno, nicknamed "Commander Dante"; Ruben Alegre, and Alexander Berondo, accused of being members of the NPA's urban guerrilla force.

Sison and Buscayno had been held for 10 years. The other two were arrested during the past two years.

Presidential spokesman Rene Saguisa admitted that armed forces chief Fidel Ramos and Defence Minister Juan Ponce Enrile had misgivings about the release. The order was signed after a "candid, cordial, vigorous exchange of views" in the special commission set up to organize the releases, he added.

In Rome, where he arrived yesterday for talks with Pope John Paul, Philippines Cardinal Jaime Sin said he had received indications that some anti-government guerrillas in his country might give up or lay down their arms later this month.

See related story and picture – Page 4

Saguisag told reporters they were freed unconditionally "in keeping with President Aquino's policy of promoting national reconciliation...and to fulfil an election commitment to free all political prisoners."

He said the commission, which includes Enrile and Ramos, had ordered the release of 517 detainees. The actual number held might be higher because "some of those we consider political detainees have been sentenced as common criminals."

Buscayno told reporters: "Our release is an indication of a start to national reconciliation and unity. It means Filipinos of different ideologies can talk without shooting each other."

Sison was asked whether he believed the rebel insurgency should continue. "I have to study the situation," he said. "I cannot pretend to answer questions of such magnitude so soon." However, Sison said he might be ready to help Aquino.

Ramos told a press conference he had asked for a clear-cut policy statement on how insurgents captured in future should be treated. He added that "those captured or arrested in future should not be treated in the same manner as the four released today." (Reuter, AP)

Diplomats at funeral of SA blacks

JOHANNESBURG (Reuter). – Diplomats from seven nations and nationalist leader Winnie Mandela yesterday joined thousands of blacks in a poor, racially segregated township as they buried 17 victims of bloody clashes with riot police.

A crowd estimated by reporters at about 25,000 huddled in the dusty sports field of Alexandra, a Johannesburg township of 100,000 blacks nestling between some of South Africa's richest white suburbs.

Many youths wore T-shirts carrying the legend "The massacre of Alexandra." Others paraded behind the banned black, green and gold flag of the African National Congress (ANC) guerrilla group which is fighting to topple white rule.

Police estimate 22 people died in four days of fierce clashes with anti-riot squads, but local residents say up to 50 blacks died.

Riot police armed with shotguns, patrolling in armoured vehicles, ringed the township for the funeral, the largest mass burial of riot victims for a year.

Diplomats from the U.S., Britain, Canada, Australia, the Netherlands, West Germany and France joined leading opposition Member of Parliament Helen Suzman, senior churchmen, and delegates from virtually all the major anti-apartheid organizations in South Africa at the funeral.

The 17 coffins, draped in ANC flags, stood on trestles in the centre of the sports field.

Mandela, wife of jailed nationalist leader Nelson Mandela, was greeted with tumultuous applause when she appeared.

Rubinstein competition to be held as planned

By MARK SEGAL
Jerusalem Post Reporter

TEL AVIV. – The 5th Arthur Rubinstein International Piano Competition will take place as planned between April 1 and 19, since the Israel Philharmonic Orchestra and its conductor Zubin Mehta have announced their intention of honouring their long-standing contractual commitment to play four concerts with the finalists.

This was announced by the Arthur Rubinstein International Music Society executive chairman Zalman Shoval at a press conference here yesterday. He explained that problems had arisen after it was found that the timing of a planned IPO tour of Poland clashed with their commitment to the competition. He welcomed the unanimous resolution of the IPO public council obliging the orchestra to honour its commitment and its moral obligation to Rubinstein, "who did so much morally and materially for the orchestra." He trusted their Polish tour would take place at another date.

The chairman of the IPO's public council, Asher Felix Landau, yesterday told *The Jerusalem Post* that the IPO will have to cancel its planned concert tour to Poland next month, only because the management of the Rubinstein competition was not able to find a suitable replacement for the IPO for the four concerts with the competition's finalists.

Landau, a former Jerusalem District Court president, denied reports that the public council had condemned, or in any way criticized, music director Zubin Mehta's plan to take the IPO for a concert tour to Poland.

On the contrary, the IPO's public council fully appreciated the cultural and national importance of such a concert tour, as well as Mehta's decision to accept Poland's invitation on condition that he conduct the IPO there, Landau said.

The public council's only concern was that the IPO be released from its contract with the Rubinstein competition management only if a suitable and agreed alternative could be found. That was the council's decision at its meeting on January 24, which was reaffirmed last Friday when it appeared that the clash of dates between these two events could not be resolved, he said.

The planned memorial visit to Auschwitz by the IPO members was never raised at the public council, Landau stressed, since it had the full written approval of Yad Vashem director Aryeh Arad, who suggested that the IPO mark the occasion "in the language of the orchestra," by playing "Kaddish" and "Psalm" by Ben-Haim.

Shoval and competition director Ya'acov Bistritsky reported to the press conference that the competition was making "an international impact on the world of music." They also reported that the World Foundation of International Music Competitions will convene in Tel Aviv at the same time with 150 delegates from the executives of the world's most important music contests.

Bistritsky reported that 46 pianists would come from 24 countries, including the U.S., Japan, New Zealand, Taiwan, Korea and Bulgaria. The international jury would again comprise some of the world's most eminent musicians, he noted.

Elscint rescue plan issued in New York

By PINHAS LANDAU
Post Finance Reporter

Elscint last night officially released in New York details of the rescue plan worked out between itself, its creditor banks and Elron, its major shareholder. The plan will totally restructure the company's capital, wipe out $90m. worth of debts and pump new capital into the company, which is regarded as the flagship of Israel's hi-tech industry, but has been beset by major losses.

Financial analysis contacted by *The Jerusalem Post* regarded the plan as a major achievement for the company. "It solves the debt problem completely, and ensures that, even after the heavy losses we expect Elscint to report for 1985/6, the company will still have a positive capital position," said one analyst.

Another source openly compared the structure of the plan to the famous Chrysler rescue operation in the U.S. a few years ago, because the Elscint plan is also based on writing down debts and taking an optional equity position instead.

For the banks, the need to take an immediate loss on the $80m. of debts they will cancel, is offset by the possibility of making a large profit on Elscint shares that they will have an option to purchase. But the deal has been carefully structured to prevent control of the company passing to the banks. However, it does involve a tripling in the number of shares potentially outstanding, and this would normally be expected to cause a sharp drop in the price of existing shares.

The press release also announced the appointment of Aluf (Res.) Benny Peled as president and chief executive officer of Elscint, while Benjamin Sabbah – who has been acting president since the resignation of Avraham Suhami last year – is to be senior vice-president and assistant to the president.

All the points in the announcement, which was made by Elscint's chairman, Uzia Galil, will have to be ratified by a special shareholders' meeting within the next 60 days. However, with Elron's 30 per cent block of shares obviously supporting the terms of the plan, no significant problems are expected in this regard.

The five financial points of the plan confirm the reports in recent days that the banks will cancel $80m. out of the total of $180m. that Elscint owes them. A further $50m. will be converted from short-term loans – which have weighed on the company and become impossible to renew – into a four-year loan bearing 8 per cent interest, with the capital and interest to be repaid only at the end of the period.

Elron Electronic Industries, of which Galil is chairman and CEO, will on its part cancel a loan of $10m. owed to it by Elscint – making a total of $90m. debt removed from Elscint's balance-sheet. Furthermore, Elron is to invest an additional $20m. through a purchase of preferred shares which will be convertible into regular shares.

The banks will receive warrants (options) good for four years, which

(Continued on Page 2, Col.2)

Peres prepared to risk crisis over economy

Jerusalem Post Staff

Prime Minister Shimon Peres said last night that he regarded economic recovery as more important than avoiding a coalition crisis. If he had to, he said, he would be prepared to risk such a crisis in the interest of the economy.

Interviewed on Israel TV's *Moked* programme, Peres adopted a conciliatory tone regarding the Labour-Likud dispute over economic growth. But he made it clear that he would not back down from his demand for the establishment of a ministerial economic growth committee with himself at its head.

Peres denied that political motives lay behind his decision to push for economic growth at this stage. The timing, he said, was dictated by a confluence of economic problems, many of them resulting from the high interest rates that had characterized the economic recovery programme.

Nor, he said, were politics behind the urgent bailing out of Kupat Holim and Solel Boneh, both of which are owned by the Histadrut. "The problem is not who owns a firm, but who works in it," Peres said. "Saving agriculture, construction, Kupat Holim and the development towns from ruin is a national mission."

At the same time, Peres accused the Likud of exaggerating the dispute over economic growth for political purposes. He revealed that Vice-Premier Yitzhak Shamir and Finance Minister Yitzhak Moda'i had both agreed to the establishment of a growth committee, only to change their minds later "for party reasons."

Peres acknowledged that growth carried the danger of resurgent inflation, but stressed that no money would be printed to finance investments. The sources for such investments, he said, would be maturing savings, proceeds from the sales of government companies, and private sources in the U.S.

Peres affirmed that he intended honouring the rotation agreement and announced his determination to oppose moves in the Labour Party to break up the government. However, he said that the coalition agreement had three major elements – the pursuit of peace initiatives, economic recovery and rotation – and that failure by either party to honour any of the clauses would be tantamount to "no agreement having been signed."

Earlier yesterday, Treasury officials said that the cost of emergency economic rescue operations for ailing firms and public institutions could total $400 million. Considering that budget cutting measures previously approved by the cabinet had not been executed, the officials expressed fears that total government spending could exceed the budget by $700-800 million.

A decisive meeting on the rescue operations for Solel Boneh and Kupat Holim Clalit is due to take place today between the prime minister and the finance minister. The officials said that, at the meeting, Moda'i would strongly oppose the proposed help for Kupat Holim, which could cost the Treasury some $175 million.

Moda'i yesterday told a group of International Monetary Fund officials that he favours helping only those firms that have a reasonable chance of recovery, such as Elscint. "We will not deal with targets that are too costly. If we do, there will be no resources left for economic growth," he said.

The IMF team is on an official visit to Israel to prepare the drafting of the fund's annual report on this country.

Reagan asks Jewish support for Central America policy

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. – President Reagan yesterday strongly appealed to American Jewish leaders to support his policy in Central America, and declared that "our supply line to Israel and our Nato allies runs through the Caribbean."

At a White House meeting with members of the Conference of Presidents of Major American Jewish Organizations, Reagan also insisted that any future U.S. arms sales to what he described as "moderate Arab states" would not hurt Israel.

"I want to assure you that I would not consider any measure... if I thought it might endanger the security of Israel – a small, faraway country, some say. But all peoples who struggle for freedom are close to America's heart."

Most of Reagan's remarks, however, focused on his support for the Contra rebels fighting the Sandinista regime in Nicaragua. He repeatedly cited Nicaragua's close ties to Libya and the PLO. In seeking to win American Jewry's support for his policy, he also referred to several anti-Semitic acts allegedly committed by the Sandinistas.

"If the Sandinistas are allowed to consolidate their hold on Nicaragua," Reagan said, "we'll have a permanent staging ground for terrorism – a home away from home for Gaddafi, Arafat, and the Ayatollah, just three hours by air from the U.S. border."

Oil prices drop below $12 mark

NEW YORK (AP). – The major grades of oil from the U.S. and Britain have dropped below $12 a barrel, reaching levels that analysts say could force some producers to shut down oil wells.

The main U.S. crude, West Texas Intermediate, slipped to $11.63 a barrel at midmorning yesterday in contracts for April delivery on the New York Mercantile Exchange.

Oil ministers of six Gulf nations scheduled a special meeting on Saturday in Saudi Arabia to discuss the sharp fall in oil prices, the United Arab Emirates official news agency WAM reported yesterday.

Brent Oil, the benchmark North Sea crude, was selling on Tuesday for $11.86 a barrel for May delivery, a drop of $0.64 from Monday. At the start of this year, Brent was trading for $26 a barrel.

Local fuel prices down 5 per cent

By AVI TEMKIN

Prices of all fuels are to drop by about 5 per cent this evening, following an agreement yesterday between Energy Minister Moshe Shahal and Finance Minister Yitzhak Moda'i.

Shahal said last night that the price cut is designed to get fuel prices here in line with those abroad, and to enable local industry to compete in foreign markets.

The Energy Ministry estimated that today's reduction will lower the Consumer Price Index by 0.5 per cent. It said it was planning further reductions since it estimated that the prices of crude oil may fall to $10 a barrel in the near future.

In a related development the Industry and Trade Ministry announced that it was lifting price controls on 22 goods and services. The ministry said that this was a continuation of its policy of gradually lifting the price freeze imposed in July.

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The weather at major Swissair destinations

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	MIN. C	MIN. F	MAX. C	MAX. F	
AMSTERDAM	2	36	6	43	Cloudy
BRUSSELS	4	39	7	45	Cloudy
BUENOS AIRES	18	64	24	75	Clear
CHICAGO	-2	28	6	43	Cloudy
COPENHAGEN	-3	28	-2	28	Rain
FRANKFURT	-1	30	2	36	Rain
GENEVA	-6	21	7	45	Cloudy
HELSINKI	-2	28	1	34	Cloudy
HONG KONG	12	54	20	68	Clear
JOHANNESBURG	15	59	26	79	Clear
LISBON	9	48	16	61	Clear
LONDON	8	46	11	52	Cloudy
MADRID	3	37	17	63	Clear
MONTREAL	-4	25	4	39	Cloudy
NEW YORK	2	36	6	43	Snow
OSLO	-3	26	1	34	Snow
PARIS	3	37	6	43	Cloudy
RIO DE JANEIRO	20	68	30	86	Cloudy
SAO PAULO	19	66	27	80	Cloudy
STOCKHOLM	-1	27	2	36	Cloudy
TOKYO	2	36	10	50	Cloudy
TORONTO	-2	28	3	37	Cloudy
VIENNA	0	32	4	39	Cloudy
ZURICH	-1	28	5	41	Clear

*For the latest weather conditions contact Swissair.

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THE WEATHER

Forecast: Local showers.

	Yesterday's Humidity	Yesterday's Min-Max	Today's Max
Jerusalem	44	10-16	16
Golan	50	8-16	16
Nahariya	64	15-21	19
Safad	63	9-14	14
Haifa Port	77	15-19	19
Tiberias	43	12-24	23
Nazareth	—	12—	16
Afula	61	11-20	20
Shomron	62	12-18	18
Tel Aviv	68	12-21	20
B-G Airport	45	11-21	21
Jericho	35	14-25	23
Gaza	71	13-20	20
Beersheba	35	8-22	22
Eilat	19	18-26	25

SOCIAL & PERSONAL

Baruch Avivi will speak about Maimonides at the weekly meeting of the Rotary club at the Tel Aviv Hilton at 1.15 p.m. today.

DEPARTURES

Wizo Israel Chairman Ruth Tekoa for South Africa, on a Wizo mission.

Gur: Report on Kupat Holim Clalit troubles will boost national health insurance scheme

By JUDY SIEGEL
Jerusalem Post Reporter

Health Minister Mordechai Gur predicted yesterday that the Gadish report on the financial troubles of the Histadrut's Kupat Holim Clalit health fund will boost his efforts to get a national health insurance law passed.

Gur told reporters that the report, written by the former head of the Treasury's budget division, Ya'acov Gadish, and presented to the government and the Histadrut on Tuesday, is likely to be implemented, as "it spreads the burden rather fairly all around." Gadish was asked to propose solutions to the massive $525 million debt amassed by Kupat Holim Clalit.

The report recommended dismissing some 1,000 employees, selling Kupat Holim apartments, turning bank loans into long-term debts at low interest rates, raising membership fees, and increasing public participation in the cost of drugs.

Kupat Holim Clalit's reaction to the Gadish report was favourable. "It is a reasonable basis for restoring the financial stability of Kupat Holim," its spokesman said.

The minister said that he had been claiming for a long time that the public would have to pay more for its health services. But he added that the government's contribution to Kupat Holim expences had reached a "ridiculously low" level – only $39 million out of a yearly budget of $666 million – and must be increased.

The banks, which charged "high interest" on the health fund's loans, would have to play a part in the rehabilitation of Kupat Holim by extending the loans over a longer period, Gur said.

Gur added that discussion of a national health insurance bill should "reach a serious stage" in the next few months. Under the proposal pushed by Gur, the Knesset would each year set the budget for health care as well as health fund membership fees. In addition, Gur wants the various non-Histadrut funds to unite, a step that they strongly oppose.

Despite the crisis in public health services, the minister still advocates in principle the introduction of liver transplant surgery in Israel, to save the expense of sending Israelis abroad for these operations, and to exploit recently acquired Israeli skills. Just because the hospitals are underfunded doesn't mean that the patient shouldn't get the treatment he deserves, Gur said.

The Hadassah Medical Organization claims that Kupat Holim Clalit owes it $12m. for services already provided, and that the smaller health funds owe it an additional $1m. As a result, the organization has been forced to take loans to pay salaries and maintain vital services, and fears have been expressed that if the budgetary situation takes a turn for the worse it may have to close down some departments.

The organization's director-general, Prof. Samuel Penchas, flew to the U.S. yesterday for urgent consultations with Hadassah leaders on the financial situation.

The spokesmen of the smaller funds did not want to comment officially yesterday on the impact the Gadish report would have on them. In the past, however, a hike in the Histadrut's health fund membership fees had led to increases in the other funds' membership fees.



Vice-Premier Shamir joins Prime Minister Peres in voting against a Tehiya bill to extend Israeli law to the territories. Mapam's Victor Shemtov is behind them. (Harari)

Aharoni found guilty of murder at meat-packers

The High Court yesterday found Rahamim Aharoni guilty of the murder six years ago of two men in the Bar Bakar meat-packing plant in Bat Yam and extended his sentence from 12 years to life.

Aharoni had originally been convicted by a Tel Aviv District Court in March 1983 of conspiracy to murder, of being an accessory to the fact, and of destroying evidence – but not of murder itself. His partner, Tuvia Oshri, was convicted of murder and sentenced to life imprisonment in the 1980 deaths of Amos Orion and Azar Cohen at the meat-packing plant.

Both the prosecution and Aharoni's lawyers appealed the sentence, one seeking to get a stiffer conviction and the other to get it reduced.

Miriam Ben-Porath, vice president of the court, wrote the opinion, in which she was joined by Menahem Alon and Avraham Halima. "In my opinion," she wrote, "the facts present a strong *prima facie* basis for convicting Aharoni of murder, unless one can find a reasonable explanation to undermine that case. But after considering the appellant's explanation, I have found that it is totally without foundation."

Aharoni maintained that he was innocent even after the verdict was read, saying that he was caught up in events he knew nothing about. "I can't believe the verdict I heard," he said. "I was sure they would acquit me." (Itim)



A Lebanese policeman surveys the wreckage after a car bomb exploded outside a Sidon bank yesterday, killing three people and touching off a gun battle between Shi'ite and Sunni Moslem militias. It was the second such bomb to go off in Sidon in the past week, and comprised some 60 kilograms of TNT. (Reuter telephoto)

Hillel battling Shas over new 'Who's a Jew'-type bill

By ASHER WALLFISH
Post Knesset Correspondent

The Shas Knesset faction and Speaker Shlomo Hillel are locked in a battle over a Shas private members' bill which would be far more effective than the "Who's a Jew" amendment in disqualifying Reform and Conservative converts as Jews.

The Shas bill, tabled last July, would amend the Rabbinical Courts Adjudication Law. The amendment states that all conversions to Judaism performed abroad would require the endorsement of a rabbinical court in Israel "for any purpose whatsoever," which would include gaining recognition as a Jew under the Law of Return.

Another clause of the Shas amendment prescribes that a rabbinical court is the sole arbiter of "a person's Jewishness."

Hillel refuses to schedule the debate on the preliminary reading of the Shas bill on the grounds that it is either "identical" to the abortive "Who's a Jew" amendment or "resembles it substantially."

The "Who is a Jew" bill was defeated earlier this year; and under house rules neither a defeated bill nor one "substantially similar" may be introduced for six months.

The Shas faction consulted the Knesset legal adviser, who agreed that their amendment was "not identical" with the "Who's a Jew" amendment and that some doubt might exist as to whether it resembled the "Who's a Jew" amendment "in substance."

The Shas faction also consulted Rabbi Simha Meron, the former head of the rabbinical courts system, and got a legal opinion to the effect that their proposal was different from "Who's a Jew."

At next Monday's meeting of the Knesset House Committee, when Shas appeals the Speaker's refusal to schedule its amendment, Shas hopes to marshal a majority enabling it to go ahead in the plenum.

Parliamentary observers note that the Shas amendment constitutes a water-tight barrier against the Reform and Conservative movements, and would be infinitely more effective than the declarative "Who's a Jew" amendment, designed to satisfy the Lubavitcher Hassidic movement based in Brooklyn.

The "Who is a Jew" amendment would change the Law of Return to state that conversions must be according to halacha to be recognized under that law. But it does not define halacha or state who would have the power to define it.

Many Likud MKs shun vote

House rejects Cohen bill to annex territories

By ARYEH RUBINSTEIN
Post Knesset Reporter

The Knesset yesterday defeated Geula Cohen's bill to apply Israel law to Judea, Samaria, and the Gaza District. Four coalition members joined her Tehiya party in voting for the bill.

They were Meir Cohen-Avidov and Benny Shalita (Likud), Haim Druckman (Morasha), and Ya'acov Yosef (Shas).

A good many of the Likud MKs were absent during the vote. Among those Likud ministers known to be in the building but absent from the vote were Transport Minister Haim Corfu and Labour and Welfare Minister Moshe Katsav. The absence from the vote of so many Likud MKs drew a sharp rebuke from Alignment group chairman, Rafi Edri.

Cohen argued that the application of Israel law to the territories was not only the most just and moral solution, but also the most realistic. Other alternatives were just so much mysticism.

There is a political vacuum today in the territories, and if it is not filled by us it will be filled by our enemies, Cohen said. Of course, there was the demographic problem, she granted. "But we are here not because of, but in spite of, the wisdom of statistics."

The Likud has not freed itself from the trap of autonomy and the Alignment has not freed itself from the trap of territorial compromise, but neither of these has a chance. Peace is a great thing, but it is a dangerous illusion, Cohen said.

Prime Minister Peres ridiculed Cohen's "realism." Was it realistic to annex the Gaza area, where there are 560,000 Arabs, where the population had doubled in the past 20 years and could be expected to re-double in the next 20?

Was it realistic to renege on the Camp David accords, after we had asked the U.S. to sign them? Could we protect Israel's security without U.S. aid when the Arabs are getting Soviet, European, and U.S. arms?

There was a difference, Peres said, between Jerusalem, where there is no agreement between us and the U.S., and Judea and Samaria, where there is a Camp David agreement on the question of sovereignty.

Peres said that Israel has three basic goals: to maintain a sovereign, democratic state with a Jewish character; not to subject our territorial achievement to a demographic danger; and to strive for peace. Peace was not a dirty word, nor was there anything anti-Zionist about it.

Yossi Sarid (Citizens Rights Movement) said, in a motion for the agenda, that what we need is not an annexation law, but a "historic farewell" law, declaring that we have no wish to rule over another people and that we will quit the West Bank as soon as a suitable arrangement is reached.

Peres replied that such a law was superfluous. It was all implied in the Camp David accords, which state that the Palestinian people will participate in the determination of their future, and which calls for a five-year autonomy period and for the opening of discussion for a permanent solution three years after the beginning of autonomy.

And the present government rests on acceptance of the Camp David accords, Peres said.

Farm link with China frozen

By YITZHAK OKED
Jerusalem Post Reporter

TEL AVIV – The Chinese government seems to have frozen its agricultural ties with Israel after reports in the press here of increasingly frequent meetings between officials of both countries.

Senior officials of the Agriculture Ministry were scheduled to leave here yesterday to meet with their counterparts in Peking, but at the last moment the Chinese government informed the Israelis they would not be let in.

Analysts here believe the Chinese were reacting to a story that appeared last Friday in a regional weekly called *Tzomet Hasharon*. The story alleged that Agriculture Minister Arye Nehamkin had visited China recently to promote agricultural cooperation between the two countries.

A spokesman for the Chinese Agriculture Ministry, Shi Lin, denied the report. Nehamkin and Israeli Ministry of Agriculture officials declined to comment on the report.

But sources close to the minister yesterday said the *Tzomet Hasharon* report had caused severe harm to any future relations with China.

Other sources, however, expressed confidence that the bilateral meetings would be renewed in a few weeks, and that the officials who were to have left yesterday would then be able to travel to China.

Peres turns down invitation to Portugal

Jerusalem Post Staff

Prime Minister Peres yesterday turned down Portuguese President Mario Soares's invitation to attend his inauguration in Lisbon.

In a cable to Soares, Peres said "My current responsibilities prevent me from being present."

Peres had also been invited to a dinner Soares is hosting for members of the Socialist International bureau.

'Mafia' statement was misunderstood – Arens

By SARAH HONIG
Post Political Reporter

TEL AVIV. – Minister-without-Portfolio Moshe Arens said yesterday that the comment attributed to him which caused an uproar in Herut had been "misquoted and misunderstood. I did not liken Sharon or Levy to gangsters. I said, in fact, that Herut was not a Mafia and therefore did not need Mafia-like alliances."

In a meeting with political reporters yesterday, Vice-Premier Yitzhak Shamir took issue with his ally Arens's use of the term Mafia to describe the Sharon-Levy alliance. "I oppose any escalation of the internal arguments we may have in the party. Arens resorted to a term which should not have been used, but he did it to express basic opposition to the factionalism that is so harmful to the party. If the factions are a fact, we must at least make sure they are not perpetuated. There are no ideological differences among us and we should not give an outlet to militant personal temperaments," Shamir maintained.

ELSCINT

(Continued from Page One)

will permit the purchase of regular Elscint shares at any time during that period. The exercise price will be either a fixed $2 or the average price of Elscint shares on the New York Stock Exchange in any 30-day period within the next 90 days – whichever is lower. While this permits flexibility on the price to be paid, the total amount of money the banks will invest will be $50m., and the number of warrants will be adjusted in line with the price paid so that this target amount is reached.

The assumption underlying this structure is that the share price will fall from its recent level of around $3, because if the banks exercise their options, and if Elron converts its preferred shares into regular ones, the total number of shares outstanding will rise from the present 16 million to 51 million – assuming an exercise price of $2 per share.

However, Galil has prevented the possibility of the banks gaining control of the company by obtaining more than 50 per cent of the total number of shares. At a $2 a exercise price, the banks will only hold 25 million of the 51 million shares that would then exist.

Sources close to Elscint told *The Post* last night that, at one stage in the negotiations between the banks and Elron, the banks had demanded the right to buy up to 80 per cent of Elscint's equity, in the event that the company succeeds in turning around.

Last night's announcement, which will be handed to the Tel Aviv Stock Exchange this morning, clears the way for Elscint's U.S. accountants, Ernst and Whinney, to complete their audit of the company's results through October 1985. These are now expected to be published within a week or two, and are believed to show a loss of tens of millions of dollars. It was this loss that triggered the crisis in the company and led to the need for the dramatic restructuring plan that has now been signed – with the blessing of the prime minister, the finance minister and the governor of the Bank of Israel – between Elscint, Elron and the banks.

WALDHEIM

(Continued from Page One)

December 1941, and spent the next two years in Vienna convalescing, returning to active duty only in 1944.

Yugoslavia executed Loehr for war crimes in 1947.

In the wake of the WJC charges and a *New York Times* report this week, Waldheim has acknowledged that he served on Loehr's staff. But he has continued to insist that he was not involved in atrocities.

Questioned yesterday about Bronfman's charge of "deception," Waldheim said, "I regret this statement. The whole story is invented."

Speaking from Vienna on the NBC television network's *Today* show, Waldheim said he had not known about the deportation of Salonika's Jews.

"I didn't serve on the front during this period...I had not the slightest idea," he said. "I had never seen a train at this time. I heard for the first time of this when *The New York Times* correspondent came to Vienna last Sunday and asked me."

Waldheim said he had served only as a translator between German and Italian commanders during the period in question.

"I never said that I wasn't in the German army until the end of the war. I said that I was wounded in December 1941 in Russia and, after returning from Russia, I was disabled.

"For this reason, they asked me, 'What languages do you speak?' I said, 'English, French and some Italian,' so they said, 'we need an interpreter in the Balkans.'"

Waldheim called the allegations an attempt to damage him during his political campaign.

In New York, WJC North American section director Elan Steinberg said: "Our investigation has just begun and what we have discovered so far is only the tip of the iceberg."

Steinberg asked how it was possible that governments had not known about Waldheim's past before he became UN secretary-general. "If they did know, was Waldheim not compromised? Was he not in a position where he was susceptible to blackmail?" Steinberg asked.

In Austria, conservative politicians closed ranks behind Waldheim yesterday, calling the charges against their presidential candidate "a smear campaign."

But the Socialist Party newspaper *Arbeiterzeitung* said yesterday: "It is hard to believe that as liaison officer he heard and saw nothing at his headquarters of reprisals in the partisan areas or Jewish deportations. Even simple peasants knew about that."

Teachers to decide today on threat to stop classes

TEL AVIV. – The Secondary School Teachers' Association is to decide today whether to carry out its threat to shut down 12th grade classes.

The decision largely hinges on the results of a meeting this morning between representatives of the rival Histadrut Teachers' Union and Hillel Dudai, the Treasury wage and salary administrator.

Zionist Executive votes $59m. budget

The World Zionist Executive yesterday approved a WZO budget of $59 million (NIS 88.5m.) for the 1986/87 fiscal year.

The Aliya Department, which deals with aliya from the affluent countries, will get $16.7m., the Youth and Hehalutz Department $11.35m., and each of the two departments of Education and Culture in the Diaspora (one general, and one Tora) $3165m.

All the above dollar figures are the same as last year's, with the exception of the figure for the Aliya Department, which is $300,000 less. Most of the remaining departments are taking a 5 per cent cut.

The WZO spokesman said that the cuts were intended to make available $1.5m. to cover the costs of the Zionist congress scheduled for next year.

France can't confirm claim hostage killed

PARIS (AP). – The Foreign Ministry said it had no knowledge of the fate of French hostage Michel Seurat, whom the Islamic Jihad claimed yesterday to have killed.

The spokesman said he had no way of immediately confirming the claim. He spoke on condition his name not be used, in keeping with French practice.

Netanya beat Holon

HOLON. – Underdogs Elizur Netanya clawed their way to a 93-91 win over Hapoel Holon in the opening game of their semi-final series in the national basketball league playoffs.

Netanya, 15 points behind at the end of the first quarter and seven points behind at the half, kept on going to victory.

Kessar holds off Solel Boneh head's new posts

By LIORA MORIEL
Jerusalem Post Reporter

BEERSHEBA. – Histadrut Secretary-General Yisrael Kessar told reporters here yesterday that he was unhappy with the decision to appoint recently resigned Solel Boneh director-general Shraga Rothman to top positions in Bank Hapoalim subsidiaries. "I am holding off on the appointments," he announced.

Rothman was slated to become chairman of the board of the Mishkan mortgage bank and a member of the directorate of the Canadian branch of Bank Hapoalim.

"The timing is not right," said Kessar. "I feel that we must check whether it is proper to appoint the former head of Solel Boneh, given the grave crisis the company is now experiencing."

Kessar said that Solel Boneh should extricate itself from the grave crisis which is now besetting it before the Histadrut considers Rothman's appointment to any senior position in its Hevrat Ovdim economic empire.

Jordan Rift settlements campaign for aid

By MENAHEM HOROWITZ
Jerusalem Post Reporter

TIBERIAS. – The heads of the three regional councils in the Jordan Rift Valley this week decided to set up a joint action committee and began a public campaign to demand urgent government help for distressed settlements in the area.

The regional councils included kibbutzim, moshavim and one urban settlement in the area between the Dead Sea and the Beit She'an Valley.

The heads of the councils said that after 19 years of settlement in the Jordan Rift – since the Six-Day War – there were still only 900 families in the area. They charged that they have not received sufficient resources from the government – despite the fact that there was a national consensus that the area must be settled.

The settlements are suffering from a shortage of means of support, approach roads and school and communal buildings.

Deputy Premier David Levy attended the meeting at which the joint committee was set up, and promised the heads of the three councils that he would raise their problems in the cabinet and would push for granting them aid.

At Moshav Biranit, on the border with Lebanon, hundreds of members of the five striking northern moshavim demonstrated next to the border crossing to protest against the failure of the Jewish Agency and the Agriculture Ministry to solve their financial problems.

At Moshav Zar'it, the first of the moshavim to go on strike, the male members yesterday agreed to requests by MKs and asked the settlement's women and children to return, three days after they left the settlement as part of the protest.

Nablus union offices closed by authorities

By JOSHUA BRILLIANT
Jerusalem Post Reporter

TEL AVIV. – The authorities yesterday evening closed two offices of the General Federation of Labour Unions in Nablus, saying they were fronts for terrorist groups. No arrests were made.

Military sources said last night that documents were taken from the offices before they were sealed for six months under an order signed by O/C Central Command Aluf Ehud Barak.

Jerusalem electricity offices barred to Israelis

Workers from the Jerusalem District Electricity Company yesterday surrounded the company's offices in East Jerusalem and barred Israelis from entering – for the first time since 1967. The workers also encircled the company's generating station in Shu'afat, in north Jerusalem.

The workers' action was in protest against an attachment order issued by the Jerusalem District Court on the company's assets. The JDEC owes the Israel Electric Corporation some $10 million for electricity the IEC supplies it for re-sale.

Religious Ministry rapped for flouting ruling on councils

By ASHER WALLFISH
Post Knesset Correspondent

The Knesset Interior Committee yesterday scored the Ministry of Religious Affairs in extremely sharp terms, for having flouted a High Court ruling on the formation of religious councils in a large number of local authorities.

The committee said the ministry's fault was all the more reprehensible because it was a party to the High Court hearing, and accepted responsibility before the bench to implement the ruling, no more than 90 days after it was handed down.

The committee suggested that local authorities refuse to approve the budgets of religious councils in the areas, if those councils had not yet been set up statutorily by the Religious Affairs Ministry as the High Court had ruled.

In 40 localities, the committee said, religious councils had not been formed since 1948.

Parliamentary observers note that the National Religious Party's Yosef Burg, who is religious affairs minister, is trying to perpetuate his party's shrinking influence in the Orthodox sector by manipulating the make-up of the religious councils, while Shas, whose leader Rabbi Yitzhak Peretz now holds the Interior Ministry, is trying to woo religious councils away from domination by the NRP.

Our beloved

BLUMA KOPELIOWITCH

passed away at the age of 90, on Tuesday, March 4, 1986.
The funeral will take place at the Kfar Samir cemetery, Haifa today, Thursday, March 6, 1986.

The bereaved family and friends

The funeral of

HERBERT OREN (Olschowsky) ז"ל

will be held at 3 p.m. on Sunday, March 9, 1986, at Kiryat Shaul Cemetery.

His friends are requested to assemble at Kiryat Shaul

The Family

ad560-13-F24

Police probe of Shehade murder 'inadequate,' family charges

By DANIEL GAVRON and BARBARA AMOUYAL
Jerusalem Post Reporters

There could be a link between the assassination of Nablus Mayor Zaafer al-Masri this weel and the murder three months ago of Ramallah advocate Aziz Shehade. This is one of the possibilities that ought to be investigated, said Raja Shehade, the son of the murdered advocate, at a news conference in Jerusalem yesterday.

It was virtually certain that al-Masri had been killed because of his assumption of the mayoralty, noted Shehade, and his father had openly supported al-Masri's taking office. He had been quoted to this effect in the Arabic press.

The news conference was called to protest against alleged negligence in the investigation into Shehade's murder. Raja Shehade admitted that, until yesterday, the family had praised the police and said that they were doing everything possible to find his father's murderer.

But the time has now come, after three months, to admit that we were wrong," he stated. In fact, he charged, the investigation had been inadequate from the outset. Widad Shehade, the widow of Aziz, pointed out that the police had taken 20 minutes to arrive after her husband's murder was reported, and had not conducted any fingerprint, footprint or any other forensic tests. A mobile laboratory was never brought to the house, she said.

Police sources yesterday rejected Shehade's claims of negligence, lack of initiative and discrimination, insisting that the same investigation and forensic procedures were followed in the Shehade case as in the recent killing of Jerusalem police intelligence chief Avraham Bayazi.

"Murder is murder, regardless of which nationality is involved. If we don't do all we can to apprehend the perpetrators, then we make a mockery of ourselves and of the whole system," a National Police Headquarters forensic investigator told *The Post*.

Chief-inspector Rafi Levy, yesterday said he understood, but could not condone, allegations presented yesterday by the Shehade family that a Jewish murder victim has precedence over an Arab victim. "We can't criticize a family in their state of grief, but the fact is that we have not scrimped on any means or personnel in the on-going Shehade investigation."

Levy said a seven-man special investigating team led by chief-superintendent Avi Marciano has already detained 17 suspects in the case. Three suspects are still being held in police detention. "And those we released on bail are not necessarily off the hook. We keep close tabs on them in the hope that they may lead us to important clues," he said.

The family had offered a reward for any information leading to the murderer. They had received two phone calls: one an obvious hoax, another from a man who offered to meet Raja Shehade in Tel Aviv. He suggested to the police that, in view of the possible danger to himself, they keep the appointment instead of him; but they had refused and that lead had been dropped.

Shehade said that the rate of solving crimes on the West Bank was very low and alleged that many of the criminals there were "agents of the government." It was a fact, he claimed, that several people convicted of murder and sentenced to life imprisonment were later released for no apparent reason.



Aziz Shehade (Rubinger)

We don't discriminate against our Jews, says Syrian FM

By JERRY LEWIS
Jerusalem Post Correspondent

LONDON. – "Jews of Syria enjoy full equality with their fellow Syrian citizens. There is no discrimination whatsoever," Syria's Foreign Minister Farouk al-Shara said here yesterday. He was answering questions at the Royal Institute for International Affairs.

Al-Shara said that all the Arab-Israeli peace processes had now reached stalemate, and that Syria opposed accords such as the "disgraceful Camp David accords," which had contributed to the recent unrest in Egypt.

Syria firmly believed that accords such as Camp David were unrelated to peace. They had heightened tensions, caused explosions and taken the region to the brink of war, he said.

Syria viewed the West's acceptance of the Israeli concept of peace as a major obstacle, he said. " The West," he charged, "was in a state of psychological readiness to excuse and justify every Israeli aggression and expansion."

Each Israeli "peace initiative" was applauded, regardless of the injury and injustice done to the Arabs, al-Shara said. "The only negotiations Israel wants are those in which the Arabs come to the table in a state of capitulation."

Israel, he concluded, relied for its existence on a racist doctrine: it uprooted people from their homeland and brought in others who already had a homeland. History had shown that such "types" ultimately collapsed or were defeated, "because they act and behave on the basis of getting either everything or nothing."

'Masri killing was warning to Hussein'

By ASHER WALLFISH
Jerusalem Post Reporter

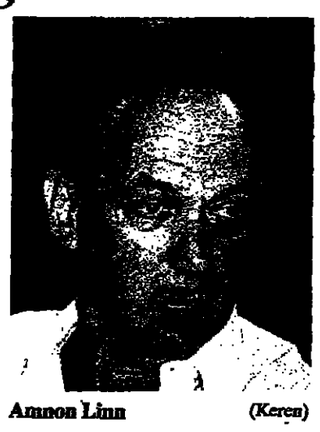
The men who killed Zaafer al-Masri wanted their bullets to ricochet off the Nablus mayor in the direction of King Hussein, according to Alignment Knesset Member Amnon Linn.

Linn, a veteran observer of Middle East affairs, told *The Jerusalem Post* yesterday. "The king knows that al-Masri's murder is a personal warning to him, not just a bad omen. The Rejectionist Front Palestinians, controlled by Syria, intend to inhibit all progress towards any sort of political arrangement in the administered areas.

"Hussein's official disqualification this week of the leadership of the PLO, as opposed to the legitimacy he accords the organization itself, signifies the king's endorsement of the contract, already put out by Syria, on the life of Yasser Arafat.

"The king, in the same breath, downgraded the importance of the West Bankers, when he called the PLO the sole legitimate representative of the Palestinian Arabs. No wonder the Nablus funeral crowd mourning al-Masri lauded Arafat while scorning [Syrian] President Assad and King Hussein."

Linn recalled a recent conversation which Assad reportedly had with a Western statesman, who asked the Syrian leader whether Hussein would be able to work for some arrangement outside the Arab consensus. Assad did not repy directly, according to Linn, but said: "I cannot predict what Hussein will



Amnon Linn (Keren)

do, but Syria, at least, dose not require an Arab consensus, because Syria *is* the Arab consensus. Syria favours rapprochement with Jordan, but if Hussein tried to make arrangements with Israel, he would have a problem with us."

Turning to the murder of the Nablus mayor, Linn said: "Devolution died along with Zaafer al-Masri. No Palestinian, however moderate, will accept even an adminstrative post at medium level, let alone a mayoral candidacy, lest his acceptance be interpreted as cooperation with Jordanian and Israeli plans for a West Bank arrangement."

Linn was apparently the only Knesset member to go to Nablus to console the bereaved family. He went in defiance of the advice of the security authorities, who told him they could not guarantee him a trouble-free visit.

"Thousands were thronging the street outside City Hall, milling around in a big hubbub. There were no IDF soldiers or Border Police for several blocks, as far as I could see.

"I left my officer escort outside the police station on the other side of the main street, and walked across alone, towards City Hall. Some local residents in the crowd recognized me, and suddenly everyone was silent. I walked inside the main hall where the distinguished mourners were sitting, with the two clan elders, Hikmat al-Masri and Haj Ma'azuz al-Masri, in the chairs of honour at the far end."

"You could have heard a pin drop, as I said my words of consolation over the death of Zaafer, whom I had met numerous times over the years. Then suddenly, against all convention, Haj Ma'azuz al-Masri, who is in his 80s, got up from his mourning seat and walked over to me, embraced me, and burst out crying. I have never had such an experience."

Linn said: "The al-Masri clan is too respected and too important for it to take the assassination of Zaafer lying down. I would speculate that it is ready to devote a great many resources to tracking the culprits down. The convention of *gom* – vendetta – is still there is the West Bank, quite close to the surface. The vicious circle of 1936-1938 could easily return in the wake of today's tensions there."

Seniora: Funeral was show of support for Arafat

By BENNY MORRIS
Post Diplomatic Correspondent

The funeral of assassinated Nablus mayor Zaafer al-Masri was "like a referendum," says Hanna Seniora, editor of the East Jerusalem daily *Al Fajr* and a leading mainstream PLO figure in the territories. "The [West Bank] Palestinians 'voted' overwhelmingly for [PLO chairman] Yasser Arafat and denounced Jordan's King Hussein, Syria and the Israeli occupation."

Seniora was still visibly affected by the assassination, probably carried out by anti-Arafat Palestinian extremists. "I know that I, too, am threatened. I know that I am a target," he said repeatedly. "The Palestinian struggle has had many martyrs and... will have more," he said. He listed the pro-Arafat figures who were recently assassinated: Sa'id Hamami, Ahmed Sirtawi, Fahd Kawassmeh. These men, said Seniora, had "worked to achieve a peaceful settlement of the conflict."

However, Seniora said he did not think that this or that killing would change the PLO's course. Arafat, according to Seniora, is still interested in attaining peace with Israel "based on a two-state solution – a Palestinian mini-state side by side with Israel." The PLO would like a resumption of the dialogue with Hussein in order to achieve this – but it must obtain American recognition of the right of Palestinian self-determination in exchange for PLO endorsment of UN Security Council Resolutions 242 and 338.

Arafat, as the al-Masri funeral-demonstration proved, has the complete backing of the inhabitants of the territories in this, said Seniora. And Israel, to make peace, must make it with the PLO. "There will be no peace, no solution, without talking with the PLO."

Seniora interprets Hussein's break with Arafat as stemming from Iran's recent victories over Iraq, and from his desire to maintain "his dynasty in Amman." Hussein is essentially a "survivor," says Seniora. He sees that Iran, Syria's ally, is winning the war in Iraq and toppling dictator Saddam Hussein. Such a victory will basically change the geopolitics of the region and seriously threaten the Gulf states as well.

Hence, Hussein has opted for the Syrian option. "Syria being his [unfriendly] neighbouring giant." Seniora says that one should pay attention to the newly-aligned Syrian and Jordanian attitudes toward the PLO – both call for the replacement of the current PLO leadership. Hussein, being a clever politician, didn't want to disengage from Arafat "at the last minute [after a complete Iraqi collapse]. And we [the Palestinians] are the price of that disengagement."

Seniora doesn't agree with Peres's unilateral autonomy plan (only a final settlement, based on talks with the PLO, is realistically worth pursuing), and doesn't seem to think it will get off the ground. This is not so much because the al-Masri killing will deter other Palestinian leaders from accepting posts offered by Israel, but because of the rejection of such autonomy by the West Bankers who agree with the PLO.

"We want mayors elected in elections", says Seniora. The extremists will then find it far more difficult to attack the mayors, who will enjoy popular support and investiture rather than be seen as appointees of the universally-hated Israelis, says Seniora.

Even when it comes to the autonomy idea, says Seniora, the Peres administration has been moving indecisively "in half-steps." He points out that they let one mayoral candidate, Jamil Tarifi, of Al-Bireh, wait in suspense for about for a month without giving him an answer. So Tarifi eventually withdrew his candidacy. "For them [Peres and company], it doesn't matter if we get killed," said Seniora.



Hanna Seniora (Rubinger)

"I'm ready to give up my life for a real solution to the Palestinian problem, but not for a half-measure [like autonomy]," says Seniora. "I'm playing with my life here."

1986 Children's Week will honour Nina Katzir

This year's Children's Week, which is celebrated two months from now, will be held in honour of Nina Katzir, wife of former president Ephraim Katzir and initiator of the event, first Lady Aura Herzog said yesterday.

The theme of Children's Week will be peace, in line with the UN declaration – making 1986 the international year for peace. Children's week, which is marked by special entertainment, meetings and outings always begins at Beit Hanassi.

U.S. farmers resisting anti-Semitism

By WALTER RUBY
Jerusalem Post Correspondent

NEW YORK. – Efforts by extremist right-wing groups to spread anti-Semitism among the farmers of the economically depressed rural Midwest have been largely unsuccessful, according to a poll by the prestigious polling service, Louis Harris and Associates.

The poll, which was commissioned by the Anti-Defamation League of B'nai B'rith (ADL), found that about one in four of 606 respondents in rural Iowa and Nebraska questioned by telephone January 23-24 expressed anti-Semitic sentiments.

That level was lower than levels of anti-Semitism that have been found in earlier surveys among the American population as a whole.

According to the ADL, surveys of the general public repeated over the years show that approximately one-third of those polled have traditionally expressed anti-Semitic sentiments.

According to the Harris survey, only 13 per cent of the respondents put "a good deal of the blame" for the recent wave of bank foreclosures on family farms "on certain religious groups, such as Jews." By comparison, larger shares of the blame were attributed to Congress (85 per cent), to local bankers and loan agencies (84 per cent), to the Reagan administration (75 per cent), to "big international bankers" (74 per cent), and to farmers themselves (61 per cent).

While three-fourths of the respondents blamed international bankers, only 27 per cent responded affirmatively when asked if they believed that farmers had been exploited by "international Jewish bankers."

The Harris survey found that only 2 per cent of the respondents said they had been to meetings held by any of nine organizations in the Midwest that have distributed anti-Semitic messages. Only 15 per cent said they had heard of the Covenant, the Sword, and the Arm of the Lord, an anti-Semitic survivalist group at whose camp a large store of weapons were found last year.

In a report on its findings, the Harris organization cautioned that, "any phenomenon that affects over one in four residents must be viewed as a mass phenomenon, even if it is not massive."

Nathan Perlmutter, national director of the ADL, told the *New York Times*: "Even a little bigotry is far too much," but added that his organization was "reassured... that anti-Semitism is not on the rise in rural America."

New head for U.S. Conservative seminary

By WALTER RUBY
Jerusalem Post Correspondent

NEW YORK. – With Conservative Judaism in America threatened by a growing schism, the Jewish Theological Seminary, the movement's central institution has selected a new chancellor who has a reputation as a conciliatory figure comfortable with both the liberal and traditional wings of Conservatism.

The new chancellor will be Dr. Ismar Schorsch, 50, a scholar of European Jewish history and a veteran administrator at the seminary. The selection of Schorsch ends an eight-month search for a successor to Dr. Gershon Cohen, who is retiring on July 1. The seminary trains rabbis, cantors, and educators for the 1.2-million member Conservative movement, the largest of America's three main Jewish denominations.

Cohen is renowned as a scholar. But he alienated many traditionalists in the movement by successfully pushing for the ordination of women by the seminary. After the seminary took this step, the movement's Rabbinical Assembly also eventually accepted women as rabbis.

Traditionalists have also charged that Cohen was unresponsive to their concerns, and refused to allow a dialogue at the seminary between the various sides of the movement. The traditionalists who last year formed the rapidly growing Union for Traditional Conservative Judaism, have threatened to break with Conservatism and form a separate denomination unless their concerns were taken seriously.

The son of a rabbi who emigrated to the U.S. from Germany in 1940, Schorsch was ordained at the seminary in 1962, and served as dean of its graduate school from 1975-79.

In comments to the *New York Times* this week, Schorsch said his greatest challenge would be to "reassert the legitimacy of the middle, to argue for moderation, pluralism... for somehow lowering the decibel level of the rhetoric."

Schorsch supports the ordination of women, but strongly opposes the principle of patrilineal descent, according to which a person may be considered Jewish if either his father or mother is Jewish. The Reform movement adopted patrilineal descent in 1983, and some Conservative scholars have also urged its adoption.

New



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"DELEK" is today awarding scholarships and research grants to students of vocational schools, to students participating in the "PERACH" programme (tutor project), to universities and to research institutions **in the amount of 240,000 New Shekels.**

The scholarship and grant awarding ceremony will take place today, March 6, 1986 at 5.00 p.m., at the Tel Aviv University, Chaim Rosenberg School of Judaic Studies, Auditorium 01, in the presence of heads of institutions of higher education and public figures.

The "DELEK" Foundation for Science, Education and Culture was set up by "DELEK" in cooperation with the Government of Israel for the advancement of higher and vocational education.

ורשבסקי פרילוק זנבר

Prosecutors bare details of Aquino trial

Marcos pressure on court revealed

MANILA (Reuter). – Prosecutors in the Benigno Aquino murder case said yesterday deposed President Ferdinand Marcos put pressure on the court to dismiss charges against those accused of involvement in the killing.

According to the official Philippine news agency, Manuel Herrera said Marcos summoned him, the chief prosecutor and one of the three judges to the presidential palace a few days before the trial began in February last year.

He said Marcos told them "it could be bloody" if they pursued the case against the armed forces chief of staff, Fabian Ver, and 25 others accused of involvement in the August, 1983 murder.

The other two present were Herrera's superior Bernardo Fernandez and Judge Manuel Pamaran, who signed the verdict last December.

Herrera said they were told by Marcos to "just play-act."

The news agency quoted Fernandez as saying, "I resisted this pressure (from Marcos) and filed the case just the same."

However, he added, he reduced the charges against Ver and Major-General Prospero Olivas, metropolitan Manila police chief, to that of accessories instead of as principals.

In other developments connected with the trial, the new Armed Forces Chief, General Fidel Ramos, said Brigadier-General Luther Custodio, one of the principal accused in the murder, has been placed under house arrest.

He said Custodio, former commander of the aviation security command which was to have protected Aquino when he arrived at Manila airport, had been put under house arrest on the orders of immigration authorities.

Ver, cousin and close confidant of Marcos, fled the country with the former president, his family and entourage last week.

Defence Minister Juan Ponce Enrile said yesterday that the trial should be reopened because "it was one simple act which caused so much divisiveness and stained so much the honour of the military."



President Corazon Aquino, left, with members of her staff yesterday made her first inspection visit of Manila's Malacanang Palace, for 20 years the official residence of deposed president Ferdinand Marcos. She herself has said she will use it only for official business but will not live there because its luxuriousness is out of tune with the nation's economic situation. (AFP)

Offensive may prove war's turning point

Iran's recent attacks give it the upper hand

BAHRAIN (Reuter). – Iranian gun emplacements dug in on the west bank of Iraq's Khawr Abd Allah waterway bordering Kuwait, sinking one Iraqi gunboat and damaging another, Teheran Radio reported yesterday.

Diplomatic and military analysts in the Gulf say Iran's successful thrusts into Iraq have given it a military edge for the first time and could mark a turning point in the 5½-year gulf war.

Iran's advances into Iraq on both the southern and northern fronts have stretched Iraqi defences, and it is poised to mount an even bigger offensive on the central front, they add.

On the Faw Peninsula in southern Iraq, Iranian forces which invaded on February 9 are well entrenched with adequate supply lines across the Shatt Al-Arab waterway. Iraqi counter-attacks have made little headway.

In the north, Iranian forces thrust into Iraqi Kurdistan in a second offensive 10 days ago, threatening the provincial capital and key oil fields further west in a region where Iraqi troops are already under attack by Kurdish rebels.

Iran also has up to 500,000 men marshalled on the edge of the Hawizah marshes north of Basra, Iraq's second city, to open a third front if it scents another victory, the analysts say.

Iraq mounted a major counter-attack in the Faw Peninsula three weeks ago, but after losing some ground initially, the Iranians dug in and stopped the Iraqis in their attacks.

"The Iraqis have had their backs to the wall since the offensive started... and every day that passes allows Iran to consolidate positions," one Western diplomat in the Gulf said.

Sketch of Palme's killer may be breakthrough

STOCKHOLM (Reuter). – An artist who may have seen the killer of Prime Minister Olof Palme has sketched her impressions of the man, and West German experts are to help compile an "identikit" picture from her drawings.

The possible breakthrough in the investigation into Palme's shooting came when the 22-year-old portrait painter reported seeing a man fitting the killer's description run past her soon after the murder.

Police said the woman had a clear view of the man's face as he passed under a streetlight and had produced several "very interesting" sketches.

West German police in Wiesbaden told Reuters they were sending one or two technical experts to Stockholm to examine the sketches.

Swedish police are meanwhile mounting a vast security operation to protect dozens of world leaders who are expected to attend Palme's funeral on March 15.

The secretary of the ruling Social Democratic Party, Bo Torsson, told a news conference the guests were expected to include UN Secretary-General Javier Perez de Cuellar and U.S. Vice-President George Bush, along with the prime ministers of India, Italy, Zimbabwe and Spain.

"The security operation is going to be extremely exhaustive," Torsson said.

Invitations have been sent to the more than 100 countries with diplomatic representation in Stockholm, but party officials said South Africa, Chile and Paraguay would not be invited.

The funeral is being organized by the Social Democratic party which Palme had led since 1969. There is no tradition of state funerals in Sweden.

In Moscow, three leading members of the ruling Politburo visited the Swedish Embassy yesterday to sign a condolence book.

An Embassy spokesman said the delegation included President Andrei Gromyko, Prime Minister Nikolai Ryzhkov and Foreign Minister Eduard Shevardnadze.

Space burial firm runs afoul of law

TALLAHASSEE, Florida (AP). – A company offering burials in outer space was charged Tuesday with operating an unlicensed cemetery. Furthermore, the firm, under Florida law, "must own at least 15 contiguous acres [six hectares] of land in outer space, along with a paved road, before it can obtain a permit," state comptroller Gerald Lewis said in an administrative complaint.

"It's going to be interesting how they will meet some of the requirements," said a spokesman for Lewis.

Celestis Group, Inc. advertises that it will launch into space the cremated remains of a loved one packed into a gold-plated, lipstick-sized capsule. For $3,900 the spacecraft will be placed in orbit around the earth, for $4,600, it will be sent into deep space. The name of the deceased is inscribed on the capsule and because of its reflective surface, the capsule should be visible through a telescope.

Anniversary of Stalin's death passes quietly in Soviet press

MOSCOW (Reuter). – The 33rd anniversary of Josef Stalin's death passed unmarked in the Soviet press yesterday, reflecting the ambivalent official attitude towards him that has continued into the rule of Kremlin leader Mikhail Gorbachev.

Stalin's record as an iron-handed ruler who industrialized the country at breakneck speed, oversaw the defeat of Nazi Germany and caused the deaths of millions in purges, has also been passed over in apparent silence at the 27th Communist Party congress.

By what Soviet officials said is a pure coincidence, the congress opened on February 25, 30 years to the day after Nikita Khrushchev denounced Stalin in a secret speech to the party's 20th congress that rocked the communist world.

The 27th congress yesterday moved into closed session to select the party's policy-making central committee for the next five years. The Soviet news agency Tass said the delegates first discussed and approved economic guidelines for the next 15 years, including the 1986-90 five-year plan.

They went on to complete the make-up of the 300-strong committee – the last significant function of the congress which began eight days ago. The new committee will not be announced officially until today at the earliest, but it is certain to include a large number of new faces.

Soviet probe snaps Halley's comet

MOSCOW (AP). – Soviet scientists have received the first pictures of Halley's comet from one of two space probes that will pass within several thousand miles of it, Tass reported yesterday.

Tass said the initial study of the comet began at 9:10 a.m. Moscow time on Tuesday, when the Vega-1 television camera began transmitting pictures.

For 90 minutes, scientists on earth received pictures of the comet shot through a series of color filters, Tass said, adding that several dozen high-quality pictures were recieved during the session. The Soviet probes mark the first close-up study of the comet, which nears earth every 76 years. Scientists hope they will provide detailed information on the origins and composition of comets.

China jails Soviet hijacker but he may be extradited

HARBIN, China (Reuter). – A Soviet pilot who hijacked an Aeroflot plane to China last December has been jailed for eight years, but East European sources say he is likely to be extradited to the Soviet Union soon.

The pilot, Shami Alimuradov, 33, was convicted by a people's court in this northeast Chinese city Tuesday of hijacking the aircraft on December 19. The plane and the other 42 people on board were quickly returned to the Soviet Union.

In Peking, a Chinese Foreign Ministry spokesman declined to comment on the possibility that Alimuradov could be extradited back to the Soviet Union before the end of his sentence.

Soviet sources said Moscow had called for his extradition, and other East European sources said they believe he would be sent back to the Soviet Union, perhaps later this year.

One Soviet source said he felt the eight-year sentence handed down to Alimuradov was a reflection of the improved state of Sino-Soviet relations in recent years but he declined to elaborate.

SPORTS

Cash flow invigorates Hapoel TA

By DON GOULD

TEL AVIV. – Hapoel Tel Aviv enter tonight's opening game of their best-of-three semi-final contest with Maccabi Tel-Aviv in the IBA play-offs, invigorated by having finally received some cash on account of their accumulated back pay. They had not received any salaries until December.

They have shown great character in ignoring their club's money troubles, even though their coach Gershon quit them and a new coach, Adler, came aboard. They played like tigers to sweep the quarter-finals in two straight against Galil Haelyon.

In tonight's derby they have to do something sensational, and they know it. They start as pronounced underdogs, having been blown right off the court every time the two teams met this season. Maccabi Tel Aviv are at full strength.

The tip-off time to what should be a very entertaining game is 8.30 p.m.

Gooch lambasts Windies

PORT-OF-SPAIN, Trinidad (AP). – Opening batsman Graham Gooch powered England to an exciting last-ball victory over the West Indies in the second one-day cricket international with a commanding and unbeaten 129. Gooch hammered the West Indies bowling to all parts of the ground as England won by five wickets.

The West Indies piled up a sizable 229 for the three wickets off their 37 overs, as captain Vivian Richards hit 82 and Richie Richardson 79 not out.

That set England what appeared an impossible 6.2 runs an over to win. But Gooch saw them home. He and left-handed David Smith scrambling a leg-bye off the very last ball to clinch the victory with England and 230 for five wickets.

As Gooch ran off in triumph, having hit a six and 17 fours off the 118 balls he faced, a handful of the estimated 16,000 spectators rushed on to the field to acclaim his feat. He was named "Man of the Match" and England captain David Gower later praised his "super-human effort."

It was the first century by an England batsman in 20 one-day internationals against the West Indies.

SPORTOTO

By PAUL KOHN

The Sportoto football pool will pay out a bumper NIS 1,000m. to those punters getting 13 results forecast correctly in matches played this Saturday. Last week no coupon showed an all correct line of forecasts, resulting in the transfer of extra prize money to this week.

	Single line	Permutation
Bnei Yehuda v Hap. TA	X	X
Mac. TA v Mac. Jaffa	1	1
Yavne v Hap. Haifa	2	X2
Hap. J'lm v Mac. PT	X	X
Hap. PT v Bet. J'lm	2	X2
Mac. Haifa v K. Sava	1	1
Beersheba v Sha'arayim	1	1
Mac. Netanya v Shimshon	1	1
Hadera v Bet. Netanya	2	X2
R. Amidar v Lod	X	1X
Yehud v Hakoah	X	X
Acre v Bet. Ramle	X	1X2
Holon v R. Hasharon	1	1

SCOREBOARD

NBA. – Celtics 106, Bulls 94: Nuggets 128, Rockets 115: Pistons 120, Nets 103: Trail Blazers 102, Pacers 99: Knicks 119, Bullets 83: Kings 94, Jazz 92: Warriors 129, Spurs 126: Clippers 106, Cavaliers 101: Hawks 128, 76ers 121.

NHL. – Blues 6, Nordiques 3: Capitals 4, Devils 2: Islanders 6, Canadiens 3: Sabres 6, Flyers 4: Flames 6, Penguins 3: Oilers 6, Canucks 2.

Everton eye double

LONDON (Reuter). – Everton stepped up their bid for a double when they pulled off a 2-1 win at Tottenham to clinch a place in the quarter-final of the English Football Association (F.A.) Cup

First Division champions and leaders Everton went in front through substitute Adrian Heath in the 58th minute of the fifth round clash. Their England striker Gary Lineker fired the second after 73 minutes. Tottenham hit back when Mark Falco scored six minutes later, but Everton, beaten finalist last season, held out to earn an away tie against Luton or Arsenal.

Oxford United, inspired by two goals from striker John Aldridge, held First Division rivals Aston Villa 2-2 away in the first leg of their league Cup semi-final. Paul Birch and Simon Stainrod hit Villa's goals. The winners play a Wembley final against Liverpool or Queen's Park Rangers, who won the first leg of their semi-final 1-0 at home.

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Dish washer powder "Bigic" 4kg only 14.90	Mackerel super 115g. piquant regular only 0.99	Toilet soap nieve 140g. only 0.59

Meat Department	Turkey schnitzel Tnuva. 1kg. ~~11.~~ 9.75	Green peas "Pri Hagalil" 340g. (vacuum packed) only 0.99	Toilet Paper A A Molette 24 rolls ~~6.05~~ 4.84	VEGETABLES! FRUITS! Super-sol offers a rich selection of fresh vegetables and fruits. Choice agricultural produce — straight from the field to your table at competitive prices.
Stuffed chicken, Tnuva. 1kg. ~~6.70~~ 5.70	Turkey pastrami Zoglovek 1kg. ~~21.~~ 13.99	Toilet Paper, tissue Molette 24 rolls ~~11.48~~ 9.18	American-flavor cheese "Mata" 250g. only 2.38	
			Chicken breast rings "Mili" 500g. only 4.91	

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macaroni/spaghetti 250g. only 0.55	Ketchup regular/piquant 340g. only 1.55	Soup almonds 400g. only 2.68

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HOUSE OF GRACE

The Post's Ya'acov Friedler reports on how an abandoned rundown church in Haifa has been turned into a warm home for ex-convicts.





Kamil and Agnes Shehade. (Israel Sun)

WOULD YOU leave your seven-month-old baby alone in a room full of ex-convicts?

If you wouldn't, you might be well-advised not to run a shelter for released convicts and other unfortunates from the fringes of society on the lines the House of Grace in Haifa is run by Kamil Shehade.

Downtown in Sderot Palyam, opposite the Zim building, the hostel is housed in an abandoned Greek Catholic church, renovated by the inmates themselves.

The baby is one of twins. Shehade's two other children, aged two and three, have the free run of the house, relating as naturally to its inhabitants, among them a man who served 27 years in jail for murder, as though they were all aunts and uncles, there to make life more interesting for them. Like their Swiss-born mother, Agnes, they speak German as well as English and Arabic, but they are also being brought up in Hebrew.

St. Mary's Church was built in 1864 and must have been a very impressive edifice in its time. Abandoned in 1948 and allowed to fall into near ruin, it has been given back some of its old glories, including some very impressive columns, since Shehade moved in over three years ago and started the restoration job with the help of two ex-convicts.

Now aged 32, he was trained as a social worker in a Greek Catholic commune in Ontario, Canada, under Archbishop Josef Raya, the former head of the Greek Catholic community of Israel, whom he considers his spiritual father. The Church supports 40 hostels of the kind throughout the world.

IN ADDITION to the Shehades, the building houses a "family" of almost 20, consisting of released prisoners, wayward young men and women and an occasional battered wife. For Arab battered wives to seek public shelter is unusual: they either grin and bear it or run back home to mother.

The present residents include Christian and Moslem Arabs and one Jewish boy. No attempt is made to influence their religion.

"We are not missionaries. That has no connection with our being inside a Church building," Shehade told *The Jerusalem Post*. "Our only purpose is to rehabilitate and help our residents to find their way back into society."

He starts the rehabilitation effort while convicts are still in prison, preparing them to come and live in the shelter once they are released.

"We live in a family atmosphere, everybody works – on outside jobs when we can get them, or in the hostel, painting, renovating, making furniture, doing repairs or attending vocational courses that will assure them future jobs," the black-bearded Shehade explained. "We also look out for problematic youth, to help them before they run foul of the law."

ONE OF THE younger residents is the 25-year-old daughter of a "very-well-to-do" Arab family in Haifa. She graduated from the elite Reali high school, where she learned perfect Hebrew. With her high IQ she gained easy admission to the Technion to study civil engineering, and lived in a campus hostel.

After two years she fell out with her parents and was forced to give up her studies, as she could not afford to continue, she told this reporter. She got a bookkeeping job and rented a furnished room, but her neighbour introduced her to drugs, which soon turned into a one-way street to trouble and crime.

"I forged cheques, stole and even started burgling houses," the masculine-looking young woman said. Asked whether burglary was not rather unusual for a girl she shrugged her shoulders. "Well, it's better than prostitution," she replied.

She went all the way into "very hard" narcotics and her family refused to recognize her. Her luck turned when Shehade took up her case.

"First he gave me the moral support to withdraw from drugs and now he's helping me to make a normal life," she said.

Currently unemployed, she is anxious to be able to return to her studies and become an engineer. This depends on the authorities' dropping the charges pending against her.

"Kamil saved me and he has taken responsibility for me. I can only hope he'll succeed in getting the files closed," she said. If he doesn't, "I think things will be very hard for me."

She does not want to go back to a life of crime. "It may look like an easier way to make a living, but there is no spiritual peace in it. Drugs are a big temptation, but once you're in, you're sorry."

One of the other young women had to leave home because her parents were violent. At the hostel, she met and married a volunteer worker from Mexico. They now have a baby and are soon to emigrate to Mexico.

RESIDENTS at the House of Grace stay from six months to a year, by which time they can usually stand on their own feet. The hostel is maintained by the Greek Catholic Church, but although the government promised assistance through the Welfare Ministry's Prisoner Rehabilitation Service, Shehade said, it has not been forthcoming.



The House of Grace, renovated by its inmates. (Israel Sun)

Recently the service did send him a cheque for NIS 93, "which was supposed to keep one of the men for three months. I sent it back."

He added that the ministry does send him social workers to learn from his example.

When work is scarce, as it is during the current recession, the residents work in the shelter, repairing furniture, refrigerators, appliances and clothes, contributed by members of the community, for distribution as "good as new" to 200 needy families. "We all need to feel that we don't only take but give as well," Shehade explained.

THE JEWISH inmate, a man of 30, comes from a problematic Jerusalem family of divorced parents. He spent half a year in jail for threatening his soldier girl-friend when she decided to jilt him. He has been in the hostel for two months, learning carpentry in its carpentry shop.

"They treat me very well here, they even see to it that I get kosher food and I feel at home," he said. "No, there is no problem about my being a Jew among Arabs, and I shall stay until Kamil finds me a job and a home. One thing I don't want to do is go back to prison. Once is enough," he said very emphatically.

AFTER LITTLE more than three years, it is probably too early to judge whether the House of Grace can keep the erring permanently on the straight and narrow path. But Shehade points out, with evident pride, "They call me daddy. Me, and only 32 years old."

There was certainly an atmosphere of peaceful calm about the place. There were no loud words, barring the exuberant shouts of the young children, and everybody seemed to be going about their business with a purpose.

Of course, everybody wants to know about the man who served a life sentence for murder. Well, he's 57 years old and "not quite right in his head, but not violent." Nobody knows now whether it was the long time in prison that loosened the screw in his head, or whether it was loose in the first place. It doesn't really matter. Now nobody wants him and he is the shelter's most permanent resident, with no other means of support than a monthly allotment from the National Insurance Institute.

As the visitor can easily see, ex-convicts can certainly make a comfortable home with their own hands, provided the guidance is right. Time will tell whether their experience in the House of Grace will help them to make good in their own homes in the future.

Cooperative venture

THERE AND THEN / Sraya Shapiro



The first Tel Aviv-Jaffa bus. (Isaac Freidin)

IN THE beginning it was the T-Ford body, purchased from the surplus of the British Army, on which a light wooden structure, painted grey, gave some slight protection from rain and sun. The vehicles were called "buses," and plied from the Magen David Square off Allenby Road to where Rehov Herzl crosses the Tel Aviv–Jaffa road.

There were small buses, taking four in the rear and one at the driver's side, and big buses, seating six at the back and one beside the driver.

The fare was *ta'arifeh*, the name the Turks had for a coin which was roughly worth the five mils of the Egyptian currency used in the counting before the Palestine Pound was officially introduced in the late 1920s, and which was known colloquially as "half a piastre." The penalty of living far from the centre near the sea was that you had to take the "bus" when you happened to oversleep and were afraid of being late for class at the Herzliya Gymnasie.

The buses were the private property of their drivers. How they all came to serve the same route is not clear, for the idea of a cooperative only surfaced much later, under the influence of the Histadrut. And the idea took shape only because the various groups of drivers, who tried to make a living by luring would-be passengers from one another, often used their fists to assure their share.

THERE WERE three groups of drivers in Tel Aviv, including a taxi service (without meters) which hit on the *sherut* idea very early in its history. The three merged into Ma'avir, and ultimately merged with the bus service to Ramat Gan and Petah Tikva, forming, just over 40 years ago, the Dan cooperative we all know today.

The sort of men who took up driving in public services differed greatly from the *halutz* ideal glorified in that era. The "pioneer" was a dreamer without a definite trade, intent on serving the budding nation mainly as a farmer in new, and usually dangerous, settlements.

The young man who had enough money to buy a bus in the late 1920s or early 1930s was intent upon earning a living in town. He was prepared to work almost unlimited hours.

And when he hired someone to ply the vehicle after he himself went home, he refused to pay him a wage commensurate with the income and benefits of the full-fledged member of the cooperative

Veterans of Ma'avir speak with respect of the Yekkes who entered the service with the influx of immigrants from Germany in the early 1930s. It was only then that timetables were introduced. And ticket inspectors – not so much to look for ticketless passengers as to impress on the drivers that the company had a watching eye.

THE REAL transformation of Ma'avir into a public transportation company occurred when its vehicles became the property of the cooperative. And the proof of institutionalization became obvious when the company bought a plot of land (not far from where the Central Bus Station is today) to serve as a parking lot. Until then, drivers parked their vehicles near their home.

An unsuccessful candidate for the cooperative once set fire to the whole lot. He was sentenced to 10 years in prison, Ben-Zion Epstein, one of the veterans, recalled in the latest issue of *Yediot Dan*, an in-house publication.

The incident, however, aroused the fellow-feelings of other bus companies, including the Arab lines in Jaffa. They all volunteered their vehicles to help Ma'avir maintain its service until new (and larger) buses could be acquired.

The welding of a random collection of breadwinners from very varied backgrounds into an organized body is a process paralleled on a vast scale in the creation of a nation. In the case of a cooperative in which all the members are equal in effort and reward, it depends on men who can act as leaders of their often half-hearted associates.

In Ma'avir, such a man was Moshe Herzig (later Libai), who died last year. In memorializing him, Noah Sheingarten, one of the veterans who shared the duties of management with him, described Herzig as "a man with a gift for compromise." This gift, he said, was especially needed in an institution composed of different "tribes," whose tribal allegiances can be detected to this day.

(More on motoring, see page 7)

Round-trip for a symphony

By MARSHA POMERANTZ
Jerusalem Post Reporter

YOU MIGHT SAY it took this symphony five years to waft down the hill from Jerusalem to Tel Aviv. Not surprising, since it went by way of North America and England.

The work is *Symphony No. 4, Memorial Candles*, by American composer Benjamin Lees. He began the work when he was a guest at Jerusalem's Mishkenot Sha'ananim in 1981, and after a world premiere in Dallas and performances in Washington, Winnipeg, Atlanta, London and Houston, it is finally coming to Tel Aviv's Mann Auditorium on Sunday.

Geoffrey Simon, who conducted the symphony in London, will also conduct the Israel Philharmonic with mezzo-soprano Kimball Wheeler in a concert marking the 40th anniversary of the end of the Holocaust. Tickets range in price from NIS 15 to 750 ($10 to $500) with proceeds to be split between the Diaspora Museum and the Sheba Medical Centre at Tel Hashomer.

According to Faigy Zimmerman, International chairman of the women's division of Keren Hayesod, who was instrumental in bringing the finished product back to Israel, Lees's original efforts at Mishkenot got a boost when the work was commissioned for the 40th anniversary by the Dallas Symphony Orchestra, which had premiered two earlier works of his.



Mezzo soprano Kimball Wheeler

The three-movement symphony includes three texts by German-born poet Nelly Sachs, the Holocaust survivor who shared the Nobel Prize for Literature with Agnon in 1966. "I found her writing powerful, searing, mystical," Lees writes in the programme notes, "with the uncanny ability to conjure images that touched one's very soul."

Lees, 62, was born in Manchuria to Russian-Jewish parents but was taken to the U.S. as a small child. He studied in the U.S. and Europe, and has taught at the Peabody Conservatory in Baltimore and Queens College and the Manhattan School of Music. He is one of America's leading composers, known for his devotion to tonality even when that was out of style.

A Dallas critic wrote of the current work: "Ultimately, important as the message is, what counts is that Lees delivers it boldly, with passion, extraordinary imagination and remarkable consistency."

Rethinking a relationship

CHRISTIAN COMMENT / Oikoumenikos

IT WAS AMID an atmosphere of warmth and pleasure – and some surprise – that the northern Galilee community of Ness Ammim finally welcomed the German theologian whose arrival they had awaited for many years. In her opening remarks, Styn Pilon, one of the community's founding members, recalled occasions on which a disguised community member would turn up at a social event as the long-awaited "German theologian" – replete with ageing professorial garb and long, greying beard. So much for misleading stereotypes – Ness Ammim's first German theologian is a delightful young woman with a warm, down-to-earth approach to which people respond immediately.

The Reverend Petra Heldt comes to her new post from Berlin, where she worked mainly in the parish of Neuwestend. She was ordained in 1984 by Bishop Kruse, now the presiding Bishop of the German Protestant Church, and has been commissioned jointly by the churches of Berlin and the Rhineland to work at Ness Ammim, perhaps the largest lay Christian community based on a kibbutz type of settlement.

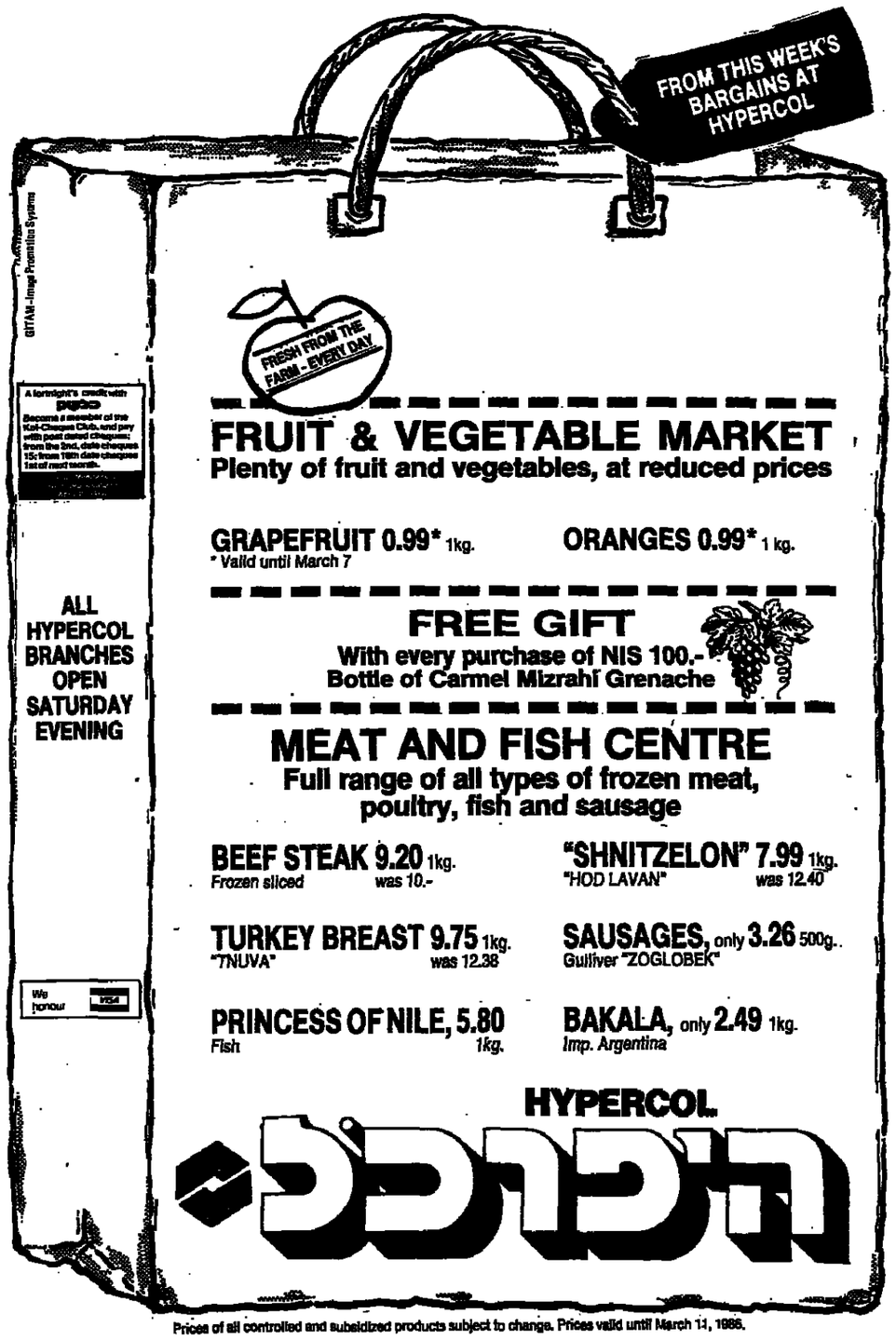
At a recent meeting of the Ecumenical Theological Research Fraternity in Jerusalem, she delivered a paper on the present state of Jewish-Christian relations in Germany stressing the very significant church statements which have come from the Rhineland in 1980 and from Berlin in 1985.

Petra Heldt is profoundly committed to the theological task of rethinking the relationship between Christianity and Judaism as part of the ongoing dialogue which will ultimately lead to a greater sense of mutual appreciation between Christians and Jews. The challenge to rethink theological positions was taken up by the founders of Ness Ammim when they established their community in the 1960s as a "banner to the nations," in concrete expression of their solidarity with the Jewish people. Referring to this vision of bridge building Petra Heldt restated her own commitment at her induction service this month to the Ness Ammim community: "It is my task to contribute to making Ness Ammim into a firm pillar of such a bridge."

At her induction ceremony, attended by many friends and representatives of communities in Israel, Heldt delivered a sermon encouraging Christians not to be afraid of the many unanswered questions which may be spawned by the Jewish-Christian encounter. "We weary ourselves trying to understand how exactly God gives redemption both to his people Israel and to the church of His son Jesus Christ, whether to both at once, or to one after the other, and if so – in which order. Yet we remain stuck and fail to establish any firm conclusion, despite all our systems of thought." She then reminded her audience that they were not the first to find themselves in this situation: "Paul, the brilliant pupil of Rabban Gamaliel whom God chose to become a witness to the resurrection of Jesus Christ, already pondered how God would reconcile His irrevocable election of Israel with His promise of redemption to all, including the nations, who have a covenant with Himself through the death and resurrection of His son."

In the end, Paul allows God's secret concerning the relationship between Jews and Gentiles to remain with God, giving his praise to the Holy One "whose judgements are unsearchable and his ways beyond tracing out," as recorded towards the end of the Romans 9-11 passage. Sadly, however, Christians of later generations have not been so humble. As she continued her exposition, Heldt pointed out: "They wanted to solve the riddle and began to discuss the Jews out of society. In our century, when the murder of European Jewry had begun, Bonhoeffer warned that driving out the Jews would bring in its wake a driving out of Christ. That came true for the generation of our parents in Germany." Such a heavy and burdensome realization must not however eclipse the truth that God is known and can still be known and discovered through His revelation. And so with an optimistic turn, Petra Heldt commented: "In that revelation there are still treasures, dimensions, connections, heights and depths that Bible readers and theologians have not yet sought out and understood." Thus theological reflection "should not lead us onto the comfortable path of folding our arms and waiting, but onto the path of searching out the treasures of revelation in our Bible."

The realization that God's grace is immeasurable and seeks out ways of approach to all was, she claimed, the conviction that "enables us to live and work here in Ness Ammim, despite the abyss of our guilt which separates us from Israel, to quote an expression used by the German theologian Heinz Kremers. It gives us hope that our seeking for a new expression of our Christian faith in genuine solidarity with our Jewish neighbours can be believable to them, despite all their memories of what Christians were in the past."



Parliamentary elections one week away

Mitterrand in jubilant form

PARIS. – His admirers on the left acclaim him France's master politician, a stalwart and idealistic defender of human rights and social justice. His critics on the right judge him Machiavellian, a clever political opportunist who is cynically manipulating French institutions for raw political gain. Either way, his leadership is the central thumbs-up, thumbs-down issue in France's forthcoming national elections. Is he ruffled? Not François Mitterrand.

"He's jubilant," one television commentator remarked the other night, and this apt observation might have caught many television viewers by surprise. After all, President Mitterrand's Socialist Party is trailing in the opinion polls coming into the final stretch for the March 16 parliamentary elections. Furthermore, a victory for the parties on the right could plunge France into a constitutional and political thicket, leading to a leftist president governing with a right-wing prime minister and cabinet from the opposition.

Nor can the president be uniformly proud of his five years in power, not with rising unemployment, uneven economic performance, the Greenpeace affair and now another tweaking from Gaddafi in Chad.

So why is Mitterrand jubilant? An aloof and above-the-fray intellectual, a socialist mobilizer distinctly lacking the common touch, Mitterrand clearly thrives on grand political strategy, on calculations aimed at broad historical sweep. In this respect, he has much to be proud of. His achievements may not pay off in these elections, but future historians may note that Mitterrand rebuilt the Socialist Party, "marginalized" the

PAUL CHUTKOW / For The Jerusalem Post

French Communist Party, overhauled Socialist economic policy and established the principle of *alternance*, or the regular and orderly exchange of power between left and right. Now that the right's fear scenarios have been punctured, the left's own economic thinking has been brought down to reality, and much of the outdated socialist ideological baggage has been scrapped, Mitterrand can hope that, even if the right returns to govern, its lock on power will not last 23 uninterrupted years, as it did before. The French left has emerged as a credible alternative capable of governing, and not the wild and woolly band of starry-eyed ideologues the right used to caricature them.

IF ALL the above accomplishments are likely to get a favourable historical reading, there are more immediate doubts about Mitterrand's move toward the political centre. Like his predecessor, Valery Giscard D'Estaing, Mitterrand has been openly frustrated by France's long-standing, left-right fissure. Like Giscard, the president has openly encouraged hopes of welding a broad-based coalition that could hold the strong political centre without losing his party's traditional power base. In this context, Mitterrand and his aids have promoted months of discussion of a way to bridge the traditional fissure, an idea the French call "cohabitation."

Seen cynically, cohabitation is a way for Mitterrand to serve out his seven-year term even if his party and his government's policies are rejected at the polls on March 16. In essence, the Socialists argue that no matter what happens in the legislative elections, the president was elected for seven years under the Fifth's Republic constitution, and that upholding the constitution means the president should serve out his proper term.

At one stage, the debate even envisioned some popular Socialist ministers staying on in an Israeli-style government of national unity. During the campaign, the Socialists have been careful to curb their attacks on Paris Mayor Jaques Chirac, head of the neo-Gaullist RPR party and the most likely prime minister in a government of cohabitation.

CHIRAC too is keeping open the cohabitation option. In a recent television interview he refused to say if he would become prime minister in a cohabitation government. But he did make clear that he believed that the president and a prime minister from the right could establish a working consensus on such tricky issues as participation in summit conferences, command of France's nuclear deterrent and French policy in Chad.

On domestic economic policy, however, Chirac saw no compromise: the election victors would have a mandate to carry out their economic programme, and the president would have to abide by the will of the people, granting the new government complete freedom to act.

But if the cohabitation issue is a fragile hinge linking the left and right, while creating a small cease-fire zone in the otherwise bitter campaign, Chirac and the other opposition forces can marshal a strong series of arguments against the five years of Mitterrand's rule.

The arguments concentrate on the following weaknesses in the socialist performance:

• The French economy – The right argues that the Socialists have finally put their economic rhetoric into order but not their policies. The Socialists talked of the need to create jobs and promote investment, but the left's election platform still praches economic socialism and signals no explicit rollback from the nationalizations.

Unemployment was the No. 1 Socialist priority when they came to power, but since then at least 500,000 more unemployed have pushed the national total to 2.5 million, including a higher proportion of young people than elsewhere in Europe. Now Chirac claims unemployment as his No. 1 priority.

• Law and order – The right, especially the extremist National Front Party of Jean-Marie le Pen, has vigorously thumped the theme that "laxist" Socialist policy has led to increased crime and a general climate of fear. Le Pen links this trend to the racialist theme of immigration – an explosive issue that has led the traditional right to formally denounce any plan to include Le Pen's party in a governing coalition. Still, Chirac echoed the same theme in decrying the erosion of traditional French values. In both this respect and regarding the economy, the right's message and planned confidence-building measures seem very much inspired by the success of the conservative American president Ronald Reagan.



French President Mitterrand...thriving on grand political strategy.

• Tampering with French institutions – While the French left portrays Mitterrand as a high-minded idealist, the right has been clever in highlighting what they claim are the president's underhanded political tactics. High on the list is the president's overhaul of the French electoral system to one of proportional representation. Chirac calls the system "perverse," and other conservative leaders allege it is already rotting the political process. The new system seems to further the chances of Le Pen gaining a seat in parliament – a potential campaign plus for the left.

WITH Mitterrand's leadership as one central issue, the outcome of these elections could be decisive on both the president's immediate hopes for cohabitation and his long-range impact on French political life. As of now the polls show the right – without the national front – winning an outright majority of the seats, possibly as many as 300, in the next parliament. If the right's majority should grow even larger, Chirac, and other right-wing leaders may be in a position to call the election a total repudiation of the president and call on him to resign.

At this stage, though, the left has started inching back up in the polls, to a projected 28 per cent of the vote. The president and Socialist Party chiefs are claiming that winning 30 per cent of the vote would be a major victory. If the left blocked the "union of the right" from winning an outright majority, the common wisdom goes, then Mitterrand might even be able to impose the continued presence of some Socialist ministers in a new government. In any event, the elections may lead into complicated negotiations between left and right to form a new government.

So why is François Mitterrand jubilant? Both constitutionally and politically, Mitterand and his long-term strategy are likely to emerge from these elections with plenty of reserve power. If there is post-election chaos, he will keep his eye on the scheduled presidential elections in 1988 and try to blame the chaos on the right. If the Socialists can mobilize their vote and reach 30 per cent, the president can claim a victory.

Even in the face of an outright conservative majority, France's particular mix of presidential and parliamentary powers should allow him to maintain broad authority, especially in foreign policy, and to "cohabitate" most comfortably at home. And if he can instigate a few quarrels among his right-wing rivals, Mitterrand may be able to spruce up his reputation as the quiet, reflective statesman above the fray, the master political stategist of the long haul.

(First of two articles.)



Nowitz

I say....

New Zealand has long been renowned for its dairy produce – though I should say that I myself prefer New Zealand eggs for breakfast – the *Queen*, on being hit by eggs in Auckland.

The nightmare is over – *Corazon Aquino*.

We have done quite a lot of damage because some Communists behave unworthily, perpetrate discrediting acts – *Mikhail Gorbachev*.

Moderation has an honourable place in politics, a crucial place indeed in the practice and presentation of our policies. But moderation without conviction is not enough – *Sir Geoffrey Howe*, British Foreign Secretary.

If people had followed Aristotle and Socrates they would be the cream of the world, but they followed those idiots the Byzantines and they are still in the grip of idiots – *Baghwan Shree Rajneesh*, in Crete, on the Greeks.

I absolutely hate it when people associate the harp with angels. For one thing, the harp is extremely difficult to live with, and angels are basically supposed to be easy – *Marisa Robles*, Spanish harpist and Professor of Harp at the Royal College of Music, London.

We want to suffer once and for all and shorten our pain and sanctions are the the only peaceful course that is open to us to bring the government to its knees. – *Winnie Mandela*, wife of a jailed black South African nationalist leader.

(London Observer Service)

Missed opportunity

ILONA HENRI / Post Correspondent

UN CITY, VIENNA. – Israel's failure to send an official representative to the just-concluded UN encounter for European journalists on the question of Palestine could have turned out a lot worse than it did. But Western journalists forced a change in the agenda from propaganda to current events, focusing on the Hussein-Arafat split and deflecting criticism from Israel.

The organizer of the encounter, the UN's information department in New York, sought "to promote better understanding of this key issue among leaders of the media by bringing them together to meet with experts on the subject for brief, informal and candid discussions of various aspects of the Palestinian problem."

Sixteen journalists attended, all of them Middle East columnists or foreign desk editors, from Belgium, Czechoslovakia, France, Greece, Italy, Ireland, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland, the USSR, the UK and Yugoslavia. The panellist "experts" were Zehdi Terzi, the PLO's permanent observer at the UN, Ambassador George Agius, Malta's UN representative, and Amos Kenan, columnist of the Israeli daily, *Yediot Aharonot*.

Israel's government had declined the invitation to send a representative of its choice. By refusing to send a truly qualified expert, perhaps an historian, to such a forum, Israel seemed to be extending its policy against negotiating with the PLO to avoiding an important contest in the ongoing battle for European public opinion. As a result, Israel neither boycotted the UN nor the PLO, but "only" the 16 journalists – and their readers – who wanted to be informed by both sides, but were left to be informed by Terzi's rewriting of the Arab-Israeli conflict.

THE LOCAL Austrian media took little notice of the four-day meeting, thus missing its single, genuine media event; a "rebellion" by several western journalists, who succeeded in changing the rather hackneyed agenda in mid-encounter. John Bullock (*Daily Telegraph*, London), Jon Haro (*Afterposten*, Oslo), Viktor Kocher (*Neue Zuercher Zeitung*, Zurich) and others demanded the organizers abandon propaganda and focus on current affairs.

They had been patient during the first day, which was devoted to an historical review of the origins of the Palestinian question, but balked at the next day's schedule, which was to be totally dedicated to "The UN and the Question of Palestine." The sole speaker on this topic was to be Malta's Agius, a member of the UN Palestinian Rights Committee.

The journalists declared they were already well-informed on the UN's activities for the past 40 years on this question and would rather skip this topic, as well as Terzi's scheduled address on "The Inalienable Rights of the Palestinian People," and proceed to the topic reserved for the last day: "Prospects for a Peaceful Settlement of the Palestinian Problem."

Despite the indignant surprise of the director of the UN office in Vienna, Mowaffak Allaf, the journalists won against the bureaucrats and the encounter got down to current affairs, namely the break between King Hussein and Yasser Arafat.

Terzi, who had just visited Arafat in Baghdad on his way to Vienna, rejected accusations by some journalists that the PLO had missed another historical opportunity. "Arafat was not aware of any offers made by the U.S.," claimed Terzi. "What was expected of the PLO in Amman was too many concessions. We would have to pay the price. The U.S. gave no promise it would deal with us separately."

Some of the Western journalists were harsh with Terzi and continued in private meetings to accuse the PLO of intransigence. While participants from Poland, Yugoslavia, Portugal, Greece and Ireland called for an international conference on the subject, their Norwegian colleague argued that only a solution imposed by the superpowers would work. At the end of the encounter, participants filled out an evaluation questionnaire and made suggestions for future meetings. Among these: there should be panellists from Israel, Syria, Jordan and the USSR. They also stressed their desire for more information about Israel.

THEORETICAL TALK of progress towards peace aside, one event at the encounter showed a practical application of the PLO's attitude to the Israeli media. On the second day, Terzi, speaking at the plenum, openly invited all participants to lunch the next day.

When this reporter arrived with the rest of her colleagues at a restaurant in the UN building, Terzi announced she was not included in the invitation. When the meeting resumed after lunch, this reporter spoke out against the snub by Terzi, who replied with some indignant remarks. The meeting then broke up for 10 minutes, during which time the *Telegraph's* Bullock persuaded Terzi and the PLO's Austrian representative to make a formal apology. They did so and the meeting resumed.

Homeless in LA

WILLIAM SCOBIE

LOS ANGELES. – Some are former engineers from California's once-booming Silicon Valley. Some are young, laid-off steelworkers from the Midwest. Some are teenage runaways, some crazed old "bag ladies" released from institutions with nothing more than their shopping bags and a bus ticket to Los Angeles's Greyhound bus station.

They are the army of America's new homeless, which social agencies estimate has risen from around 250,000 to nearly 3 million in the years of the second Reagan administration.

They come from all walks of life and fit no stereotype or social pattern. But they have one thing in common: none of them ever believed he or she would be spending the bitter winter of 1985-86 on the streets, destitute in this wealthy land.

As President Reagan last week announced draconian cuts in welfare and federal funds for the cities, a new study released in Los Angeles – one of more than 100 reports on the subjects prepared by social agencies and churches – declared this city to be the "homeless capital" of America, with an estimated 35,000 to 50,000 homeless people living in alleys and parks, under freeway flyovers, on beaches and – if fortunate – in shelters.

Did you ever try sleeping in the back of your car while it's snowing outside?" asks Ron Mills, a jobless construction clerk. "And you need to use the toilet, but you know the only one is three streets away in a gas station that's closed."

EACH MONTH more than 10,000 destitute people apply to Los Angeles county for aid. More than half of them are homeless.

"Some are 'snowbirds,' jobless, broke people who've come here from the East for the better climate," said a worker at a church-run soup kitchen on LA's Skid Row. "But many more are Californians who've lived here all their lives and have held down good jobs until the past few years."

In fact, county statistics show the average LA welfare recipient has lived in the "Golden State" for 24 years. Downtown LA's soup-line may be longer than most, but the depression-era scene is being repeated in cities across the nation:

• Texas authorities report at least 50,000 homeless in the six largest cities. Their median age fell from 42 three years ago to 27 in 1985.

• Florida reports up to 30,000 homeless. Social workers say at least 25 per cent are former mental patients who do not know how to get welfare benefits, or do not qualify because they have no permanent address.

• New York City estimates 40,000 homeless, with less than half finding a place in shelters.

Why is it happening, and why now? Firstly, there is a desperate shortage of low-income housing almost everywhere in the U.S. So-called urban renewal in the 1970s eliminated millions of cheap single rooms in lodging houses and inner-city ghetto areas that used to harbour the poor.

The most LA's physically able homeless can expect from welfare is a $228 per month "workfare" grant. Recipients pay back the "grant" by cleaning streets and performing other menial chores. Of the $228, the law officially designated $140 be provided for rent. But there is no housing at that price anywhere in LA. Even on Skid Row, the meanest room, without heat or running water, costs an average of $230 a month.

Secondly, the Reagan administration since 1983 has budgeted only a pitiful $70 million annually in direct aid to the homeless. The administration's proposed budget cuts, if passed by Congress, would mean a $1.9 billion loss to New York State alone – mostly in welfare funding.

Thirdly, a shocking number of outcasts roaming the streets come from state mental hospitals. In the 1960s, U.S. medical advisers to the White House decided that newly-discovered drugs would help the emotionally disturbed to cope with every day life.

INSTITUTIONS RELEASED millions of patients, who were to be tended in more than 2,000 after-care centres, mandated by the Kennedy administration. But because of budget cuts in the Nixon-Ford years, less than 700 were completed.

The bizarre results of this medical muddle are visible every day in every major U.S. city. Disoriented, chronically mentally ill people, deprived of medication, wander aimlessly. Some turn violent, more are subject to violence.

The homeless are not popular. At a packed city council meeting in LA recently, angry businessmen denounced them as "predators and bums" who prey on visitors and damage the California tourist industry.

At Harvard University, authorities placed iron plates over dormitory heat vents to keep away homeless people seeking warmth at night. More than 400 students signed a protest, but the bars remain in place.

"The Reagan administration has doubled the national debt in five years with its emphasis on massive defence spending," says California Democrat Tom Hayden. "The message to the poor and the homeless is the president's state of the union address last week. It boils down to two words: 'Tough luck.'"

(London Observer Service)

TODAY'S ENTERTAINMENT

TELEVISION

EDUCATIONAL:
8.15 School Broadcasts **14.00** Fellini – director as creator **14.30** Annie and her Grandmother **14.45** French **15.00** Surprise Train **15.20** Nils Holgersson (part 38) **15.50** Cartoons **16.00** This Is It **17.00** A New Evening – live magazine
CHILDREN'S PROGRAMMES:
17.30 Kid Video – animated film
18.00 Book Look
18.25 Tyre
ARABIC-LANGUAGE programmes:
18.30 News roundup
18.32 Kid's Club
19.00 Meeting – current affairs
19.30 News
HEBREW PROGRAMMES resume at **20.00** with a news roundup
20.02 Sports
20.45 Programme Trailer
21.00 Mabat Newsreel
21.30 Documentary – Buying the Bomb
22.10 Newspaper Report
22.25 The Black Tower Part 1 of a 6-part suspense serial, starring Roy Marsden and Art Malik, based on the story by P.D. James
23.15 Quotation Mark – literary programme
23.55 News
JORDAN TV (unofficial):
17.30 Cartoons **18.00** French Hour **19.30** News in Hebrew **20.00** News in Arabic **20.30** Goodnight and God Bless **21.10** Return to Eden – 2nd part **22.00** News in English **22.20** Feature Film
MIDDLE EAST TV (From T.A. north):
13.00 Animals, Animals, Animals **13.30** Another Life **14.00** 700 Club **14.30** Shape-Up **15.00** Afternoon Movie **16.30** Fantastic Four **17.00** Flying House **17.30** Muppets **18.00** Lucy **18.30** WKRP **19.00** News **20.00** Hardcastle & McCormick **21.00** Another Life **21.30** Sixty Minutes **22.30** Paper Chase **23.18** 700 Club

Voice of Music

6.02 Morning Melodies
7.07 Debussy: Cakewalk; Offenbach: Overture; Bernstein: "Candide" Overture; Messager: Hungarian Dance
7.30 Delius: Morning Song; Mozart: Sonata, K.376 (Balsam, Shumsky); Monteverdi: The Nymph's Lament; Halpern: Poem; Verdi: 2 Arias from "Un ballo in maschera" (Pavarotti, Donath, Resnik); Schaeffer: Concerto for Organ; Chopin: Barcarole (Barenboim); Vaughan Williams: Fantasy on Tunes from Sussex; Donizetti: Flute Sonata (E. Talmi)
9.30 Haydn: Symphony No.44 (English Chamber/Barenboim); M. Haydn: Horn Concerto; Mozart: Serenade, K.381; Charpentier: "Alone lives Magdalena"; Czerny: Piano Concerto; Couperin: Concerto; Bach: Cantata No.4
12.05 Beethoven: "An die ferne Geliebte"; Brahms: 3 Intermezzi, Op. 117; Mahler: "Lieder eines fahrenden Gesellen"
13.00 Enescu: Rumanian Rhapsody No.1; Dukas: "La Peri"; Saint-Saens: Delilah's Aria; Chopin: Piano concerto No.2 (Pogorelich, Chicago/Abbado); Schubert: Symphony No.10
15.05 Meeting Musicians
16.00 In honour of Mordechai Seter's 70th birthday – Pnina Saltzman, Vera Vaidman, Annie Schnarch, Israel Piano Quartet, "Encore" Choir, Rubin Chamber Choir, violin group from Mishkenot Sha'ananim – all Seter programme – "Children's Songs after Bialik (1983); Sonata for 2 Violins (1952); Moto Perpetuo (1985); Piano Quartet (1982); 4 Songs for Festivals (1946)
17.30 Michel Kurth: Comic Concerto No.25; Bach: Violin Sonata in C minor; Caccini: 4 Songs; Albrechtsberger: Harp Concerto (Zabaleta); Haydn: Symphony No. 92, "Oxford" (Vienna Philharmonic/Bernstein); Grieg: "Peer Gynt" (L. Popp, St. Martin/Marriner); Mendelssohn: "Fingal's Cave" Overture
20.05 Schubert: Dances
20.30 Jerusalem Symphony Orchestra, Janos Fuerst conducting: with Noam Buchman, flute; George Haas, oboe; Richard Palley, bassoon; Eyal Vilner, horn – Oedoen Partos: "Paths"; Danzi: Sinfonia Concertante; Tchaikovsky: Symphony No.6
23.00 The Golden Generation – "Toscanini in London – Rossini; String Sonata No.3 (BBC Symphony); Brahms: Symphony No.4 (Philharmonia)

First Programme

6.03 Programmes for Olim
7.30 Favourite Old Songs
8.05 Compass – with Benny Hendel
9.30 Encounter – live family magazine
10.30 Programme in Easy Hebrew
11.10 School Broadcasts
11.30 Education for all
12.05 Oriental songs
13.00 News in English
13.30 News in French
14.06 Children's programmes
15.30 Speaker's Podium
15.55 Notes on a New Book
16.05 Middle East Crossroads
17.20 Everyman's University
18.06 Jewish Traditions
18.47 Bible Reading
19.05 Lesson in *Tania*
19.30 Programmes for Olim
22.05 Every Man has a Star – with astrologist Ilan Pecker

Second Programme

6.12 Gymnastics
6.30 Editorial Review
6.53 Green Light – news commentary, music
7.00 This Morning – news magazine
8.05 Safe Journey
9.05 House Call – with Rivka Michaeli
10.10 All Shades of the Network
12.10 Open Line – news and music
13.00 Midday – news commentary, music
14.06 Matters of Interest
15.10 Magic Moments
16.05 Songs and Homework
17.10 Economics Magazine
18.06 Any Questions?
18.51 Today in Sport
19.05 Today – radio newsreel
19.35 This Week in the Knesset
20.05 Roots – folklore magazine
22.05 Yiddish songs
23.05 Between Ourselves

Army

6.10 Morning Sounds
6.30 University on the Air
7.07 "707" – with Yitzhak Roch
8.05 Good Morning Israel
9.05 Right Now – with Dan Shilon
11.05 The Old Days – with Orly Yaniv
13.05 Israeli Style – with Eli Yisraeli
15.05 What's Doing – with Erez Tal
16.05 Four in the Afternoon
17.00 Evening Newsreel
18.05 Economics Magazine
19.05 Radio Radio
20.05 Israeli Rock
21.00 Mabat – TV Newsreel
21.30 University on the Air (repeat)
22.05 Popular songs
23.05 Rondo – with Hanoch Ron
00.05 Night Birds – songs, chat

ON THE AIR

CINEMAS

JERUSALEM 4.30, 7, 9
Eden: White Nights 4.15, 6.45, 9.15; **Edison:** Death Wish III; **Habira:** Naked Face; **Kfir:** Rocky IV; **Mitchell:** Ran 6.30, 9.30; **Orgil:** Year of the Dragon 4, 6.30, 9; **Orna:** Parole de Flic; **Ros:** The Lover; **Semadar:** Kaos 6.30, 9.15; **Binyenei Ha'uma:** When Father Was Away on Business 6.45, 9; **Beit Agron:** The Godfather I, 6.30; Blues Brothers 9.30; Lord of the Rings 12 midnight; **Cinematheque:** My Dinner with Andre 7; Apropos de Nice and Zero de Conduit 9 (small hall); Fury 9.30; Mad Max 12 midnight

TEL AVIV 4.30, 7.15, 9.30
Allenby: Naked Face 5, 7.30, 9.30; **Beit Leissin:** Fright Night 11.15 p.m.; **Ben-Yehuda:** Tomboy; **Chen 1:** Year of the Dragon 4.15, 7, 9.45; **Chen 2:** American Flyer 5, 7.20, 9.45; **Chen 3:** Marie 5, 7.20, 9.45; **Chen 4:** Doin' Time 10.30, 1.30, 4.45, 7.20, 9.40; **Chen 5:** The Sure Thing 10.30, 1.30, 4.45, 7, 9.40; **Cinema One:** Back to the Future; **Cinema Two:** When Night Falls; **Dekel:** White Nights 7, 9.30; **Drive-in:** Birdy 7.15, 9.30; Sex film, 12 midnight; **Esther:** Red Sonia; **Gat:** Twice in a Lifetime; **Gordon:** Choose Me; **Hod:** Death Wish III; **Lev I:** Target 1.30, 4.50, 7.15, 9.30; **Lev II:** Bonnie and Clyde 2, 5, 7.30, 9.40; **Limor Hamehudash:** Prizzi's Honor 4.30, 7, 9.30; **Maxim:** Commando; **Mograbi:** Silverado 4.30, 7, 9.30; **Orly:** And the Ship Sails On 4.30, 7, 9; **Paris:** The Company of Wolves 12, 2, 4, 7.30, 9.30; **Peer:** When Father Was Away on Business 4.15, 7, 9.30; **Shahaf:** The Lover; **Studio:** Jagged Edge; **Tchelet:** Plenty 4.30, 7, 9.30; **Tel Aviv:** Rocky IV; **Tel Aviv Museum:** Favorites of the Moon; **Zafon:** Ran 6.15, 9.30; **Tamuz Hamehudash:** Clockwork Orange 6.45, 9.30; Shining 12.15 midnight

HAIFA 4.30, 6.45, 9
Amphitheatre: Naked Face 4.30, 7, 9.15; **Armon:** Red Sonia; **Atzmon:** The Key 4.30, 7, 9.15; **Chen:** Commando; **Moriah:** closed; **Orah:** The Lover 4.30, 7, 9.15; **Orly:** Jagged Edge 6.45, 9; **Peer:** Plenty 4, 6.30, 9; **Ron:** Rocky IV 4, 6.45, 9.15; **Shavit:** Ran 6, 9; **Rav-Gat 1:** Year of the Dragon 3.45, 6.30, 9.15; **Rav-Gat 2:** White Nights 3.45, 6.30, 9.15; **Keren Or Hamehudash:** Kaos 6, 9; Monty Python, the Meaning of Life 11.30 p.m.

RAMAT GAN
Armon: Red Sonia 5, 7.15, 9.30; **Lily:** Prizzi's Honor 7, 9.30; Romancing the Stone 4.30; **Oasis:** Year of the Dragon 6.50, 9.30; **Ordea:** Death Wish III, 7.15, 9.30; **Ramat Gan:** For Those I Loved 6.45, 9.30; **Rav-Gan 1:** Marie 5, 7.30, 9.40; **Rav-Gan 2:** Birdy 5, 7.20, 9.45; **Rav-Gan 3:** Plenty 4.30, 7.10, 9.40; **Rav-Gan 4:** Jagged Edge 5, 7.20, 9.45

HERZLIYA
David: The Falcon and The Snowman 4.30, 7.30, 9.20 (no Wed. prf.); **Hechal:** The Lover 4.30, 7.15, 9.30; **Tiferet:** Commando 4.30, 7.15, 9.30; **Daniel Hotel:** Ghostbusters 7.15, 9.30

HOLON
Migdal: The Sure Thing 7.15, 9.30; **Savoy:** Death Wish III, 4.30, 7.15, 9.30; **Armon Hamehudash:** Pray for Death 5, 7.15, 9.30; Sleeper 11.30 p.m.

BAT YAM
Atzmaut: Rocky IV, 4.30, 7.15, 9.30

GIVATAYIM
Hadar: Rocky IV, 4.30, 7.15, 9.30

RAMAT HASHARON
Kochav: Rumble Fish 9.30; Lady Hawk 4, 7

Keep Israel Beautiful

WHAT'S ON

Notices in this feature are charged at NIS 6.90 per line including VAT. Insertion every day of the month costs NIS 138 per line, including VAT, per month.

JERUSALEM

Museums

ISRAEL MUSEUM. Exhibitions: Art in Context, audio-visual programme on development of Israel Art ◊ Early 20th Century Posters (avant-garde) ◊ Two Artists, Two Landscapes, works by Shalvah Segal and Eli Shvadron ◊ Traditional Jewelry. Permanent Display of Jewish Ethnographic Jewelry ◊ Ancient Mirrors, display of mirrors from different cultures: "Friendly Butterfly", illustrated by Orah Eyal ◊ From the Depths of the Sea, (Rockefeller Museum) ◊ Building in Jerusalem, computer games to building with stone ◊ "Nerot Mitzvah," Ideas for Light in Jewish Ritual ◊ The Cosmic and the Divine, Andean textiles ◊ Placescape: 14 artists present versions of surrounding landscapes, (Paley Centre, near Rockefeller Museum). ◊ Permanent collections of Judaica, Archaeology, and Ethnic Art ◊ Barwosky Fine Arts Wing closed Mar. 7-23. **Visiting Hours/Events, Main Museum:** 10–5, At 11: Guided tour of Museum in English. 3: Guided tour of Judaica and Heritage galleries.

L.A. MAYER MEMORIAL INSTITUTE FOR ISLAMIC ART. Visiting Hours: Sun.-Thur. 10-1; 3:30-6. Fri. closed. Sat. and holidays 10-1. 2 Hapalmach St., Tel. 02-661291/2. Bus no. 15

Exhibitions

JERUSALEM MAP HOUSE, Old City. 7 Beit El St., 288338, 423547. Roberts, Turner, etc.

Conducted Tours

HADASSAH – Guided tour of all installations * Hourly tours at Kiryat Hadassah and Hadassah Mt. Scopus. * Information, reservations: 02-416333, 02-446271. Due to repairs the Chagall Synagogue will be closed March 4-12.

HEBREW UNIVERSITY
1. Tours in English at 9 and 11 a.m. from Administration Building, Givat Ram Campus. Buses 9, 28, 24 and 16.
2. Mount Scopus tours 11 a.m. from the Bronfman Reception Centre, Sherman Building. Buses 9, 28, 4a, 26 and 23 to the first underground stop. Further details: Tel. 02-882819.

AMIT WOMEN (formerly American Mizrachi Women). Free Morning Tours – 8 Alkalai Street, Jerusalem. Tel. 02-699222.
ORT. To visit our technological High Schools call Jerusalem 533141; Tel Aviv 396171, 233231, 240529; Netanya 33744.

TEL AVIV

Museums

TEL AVIV MUSEUM. Exhibitions: Dan Kutka (1938-1979). Sculptures, drawings, paintings, photographs. The Museum's collection of classical, impressionist, post-impressionist and contemporary art. Museum Visiting Hours: Sun.-Thur. 10-2; 5-9. Sat. 11-2; 7-10. Fri. closed. **Helena Rubinstein Pavilion:** Scopes of Contemporary Drawing from Kunstmuseum Basel. **Visiting Hours:** Sun.-Thur. 10-1; 5-7. Fri. 10-1. Sat. 11-2.

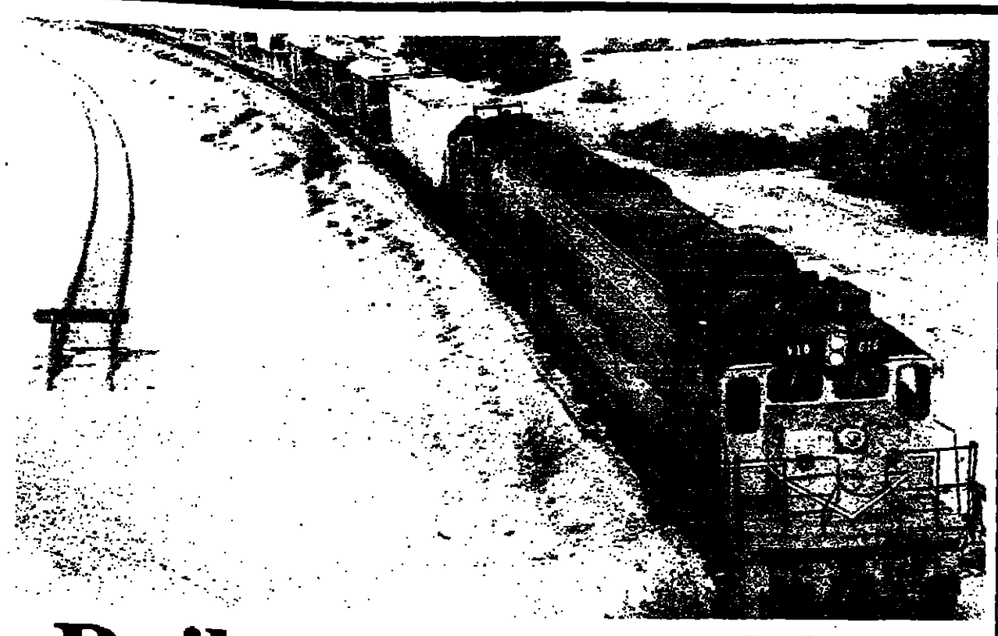
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AMIT WOMEN (formerly American Mizrachi Women). Free Morning Tours – Tel Aviv, Tel. 220187, 233154.
WIZO. To visit our projects call Tel Aviv, 232939; Jerusalem, 226060; Haifa, 88817.
PIONEER WOMEN – NA'AMAT. Morning tours. Tel Aviv, 210791. Jerusalem 244878.
HADASSAH VISITORS DEPT. Astor Hotel, Room 01. 105 Hayarkon St., Tel 03-223141.

HAIFA

Museums

HAIFA MUSEUM, 26 Shabtai Levy St. Tel. 04-523255. Exhibitions: **Modern Art** – Reuven Rubin, the portrait in his work in retrospective; Ya'acov Hefetz, Sculptor. 17 Naive Artists. **Ancient Art** – Jewish coins of the Second Temple Period, Egyptian textiles, terracotta figurines, Shikmona finds. **Music and Ethnology** – Jewish costumes. 20 porcelain pieces from the Fela and Natan Celnik collection. U.S.A. Open: Sun.-Thur. and Sat. 10-1; Tue. and Sat. also 6-9. **Ticket also gives admission to National Maritime, Prehistory and Japanese Museums.**



Railways are waiting for signals to change

DAVID KRIVINE

MODERNIZATION has transformed Israel over the last 30 years, except for the railways and in particular the passenger services. If ever a branch of the national life was stultified by national ownership, this is it.

For reasons that have nothing to do with the proper functioning of rail transport, the system was forced to *do uneconomic things like* charging artificially low fares and running pointless lines (notably between Jerusalem and Tel Aviv), which carry no passengers to speak of.

After compelling the railways to *lose money in that way, the government* could then prove triumphantly that capital should not be invested in an unprofitable concern. Result: roads overcrowded with costly private cars, because an under-utilized *railway system is not allowed to* provide a speedy, frequent and comfortable travel alternative.

The most astonishing evidence of government incapacity is the empty gap between Tel Aviv's northern and southern railway stations. There is a line from Haifa to Tel Aviv. There is a line from Tel Aviv to Jerusalem with a branch to Beersheba. Eight kilometres separate the two systems.

Along it runs Wadi Ayalon. The wadi has been drained, with a roadbed built and a railbed almost complete. But there is no budget so far for extending the rail link. The cost would be $4m. – no more than Israel Shipyards has extorted from the Treasury to fend off its creditors.

If that $4m. was invested in the Ayalon link, travellers from Haifa and the north could alight in Tel Aviv not just at Arlosoroff Street but at Tel Aviv South; and there will be a station in between.

Or *they could stay aboard* and proceed to Jerusalem. Haifa-Jerusalem via Tel Aviv would be a *shorter run than the present route* via Lod. Travellers from Jerusalem could do the same thing in reverse, which would increase the use of that neglected line appreciably.

ONCE the link is built, a suburban line could be extended to Petah Tikva. An $80m. outlay would buy a high-frequency electric-train system. A cheaper alternative based on diesels would cost $40m.

Stops would be Bnei Brak, the Exhibition Grounds and Shikun Bavli, *after which the metro would* join the new main line at Arlosoroff, stopping at the Kirya, Yitzhak Sadeh, La Guardia, Levinsky and Tel Aviv south. (One of those, we don't yet know which, will be a *mainline halt as well.)*

The government's hand is sometimes forced by external considerations. A bridge is being built to take Halacha Road (situated north of Arlosoroff Station) over the wadi and over the existing railway, instead of under it as at present.

The bridge will be too low; rolling *stock will not be able to pass underneath.* What to do? The track will be torn up and re-laid further inland *along the wadi (which is below street* level). The Haifa train will thus reach Tel Aviv at the right place, *ready for the link with Tel Aviv* South. The re-laying is being done at this moment.

When it is finished, the train will find itself several hundred yards east of Arlosoroff railway station. Strictly speaking the old station should be pulled down and another built. Will that bold action be taken? Not on your life. A platform will be erected with a bridge leading back to the old station – over which passengers with *their bags will have to trudge.*

THANKFULLY the government *has decided to sell off* Israel Railways (IR). Leading candidates for the purchase are the Ports Authority and Israel Chemicals. The latter would be likely to treat it as a freight service for its own merchandise, though the Ports Authority might conceivably take a broader view. The important point is to run the enterprise as a business, and not a stagnant government institution.

IR's recently-appointed director, Eliahu Barak, is "preparing the bride for the wedding," to cite company spokesman Ilan Falkov, by improving punctuality, cleanliness, work methods, etc. A metro is being introduced in the north of the country between Haifa and Nahariya.

The track is already there; on order are motor-rail coaches to supply a frequent service, as well as electrical signalling (instead of mechanical); all of which should re*duce the journey*, including stops on the way, from 50 to 35 minutes.

Three new stations are to be added: a terminal with a big car-park 1.5km. north of Nahariya, a station at Kiryat Tsafon (north of Kiryat *Motzkin) and one at Customs House* in Haifa (opposite Zim). Total investment: $11m.-13m.

Then there is the long-talked-of line to Eilat. Distance from the present terminal at Zin: 175km. Proposed stations: Ein Hatzeva (24kms. from Zin). Merkaz Sapir (another 20km.). Yotvata, and a stop by the *air terminal, after which the train* will proceed *underground* into Eilat, halting at the seaport.

Investment: $130m. A *pipe*-dream? Barak has ordered detailed planning to be completed by the end of 1986.

What have we left out? If the crucial 8km. link is built between Tel Aviv North and Tel Aviv South giving a boost to rail travel, there will be a case for constructing a passenger-station in Ashkelon, which only has a freight-station now; also one in the heart of Beersheba, additional to the present pull-up on the periphery.

Motor makers' top secret tests

Cloak and dagger in the Arctic

PER ISAKSSON / Reuter

ARJEPLOG, Sweden. – *In the Arc*tic wilderness of the Swedish Lapland, the world's great car makers *play a game of hide-and-seek*, putting the cars of the future through rigorous tests during the dark winter *nights.*

Among iced-over lakes and snow-covered hills, about a dozen manu*facturers run top-secret cold weather* laboratories. Local people said there was some initial excitement over the *car firms' activities, but they are now* used to hearing the roar of engines and seeing the flicker of car head*lights along the narrow mountain* roads.

Volkswagen, Fiat, Ford and other car makers come to Arjeplog every winter. Equipment and vehicles are brought here shielded from competitors and other curious onlookers in covered trucks.

The region's attractions as a car maker's proving ground – isolation and freezing winters when temperatures stay below minus 20 degrees centigrade for weeks – were discovered 15 years ago by Mercedes-Benz. It was here, for example, that the firm tested and developed its anti-lock breaking system.

THE INFLUX of test drivers and engineers has provided many new jobs in a region plagued by high unemployment. Several local farmers fit snowploughs to their tractors and supplement their meagre winter income by clearing the huge expanses of frozen lakes used as race tracks.

Most hotels sell home-town papers, *such as the Wolfsburg Nachrich*ten from the West German town where Volkswagen has its headquarters. *These supplement the more* traditional souvenirs, like Lapp handicrafts and reindeer skins.

Staff from the different companies rarely fraternize. "Secrecy is very tight. We obviously try to show as *little as possible,*" *Hans-Joachim* Schoepf, head of passenger car testing at Mercedes-Benz, said at a rare *press conference.*

Standing on the one-metre thick ice on Lake Hornavan, where the *company tests its cars in winter*, he told Reuters new models were tested by running piece-by-piece trials of *the equipment in older cars.* "Only then do we venture into the open by testing a brand new car," he said. New cars are fitted with mock fronts *and their bodywork is remodelled to* make them virtually unrecognizable.

Swedish carmaker Volvo is even *said to run its own network of infor*mants among the local population to keep track of competitors and suspected *industrial spies.*

Volvo also signed a contract last Autumn with the Swedish Air Force allowing it to conduct tests on the grounds of a closely-guarded airbase in northern Lapland – an option not open to foreign companies for security reasons.

*APART FROM the risk of indust*rial espionage, car companies also should be testing facilities in secrecy because of fears that pictures of new cars that have not yet come to the market may hurt sales of current models, industrial analysts said.

Last month a photograph of a new Volvo 480 model, which will be officially unveiled in Geneva this month, was published in a Swedish evening paper.

The photographer – who was roughed up by men in a car escorting the Volvo 480 into a petrol station – said it was very rare that a company dared bring a new model into a populated area. The driver seemed to have had no choice, however, as he had run out of fuel.

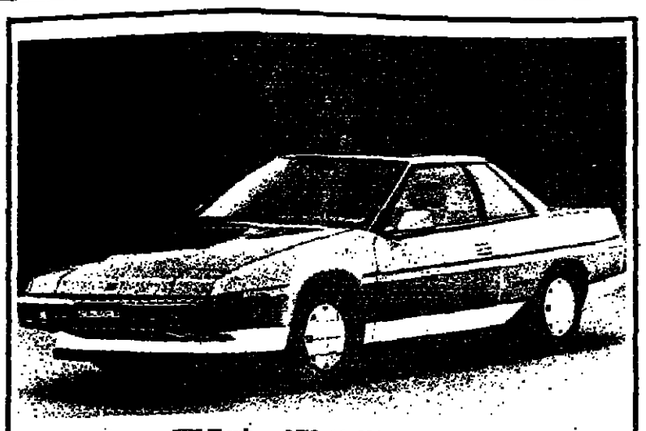
Sigurd Sandstrom of the Arjeplog police said the test drivers' preference for driving at night – when the risk of discovery is the least – had resulted in some accidents where the drivers had hit reindeer and elk.

"They often drive several hundred kilometres per night, and at high speeds, but they're *real* professionals so we haven't had that many accidents," he said.

Although most test drivers eye outsiders at their hotels with suspicion and make sure nobody is near *when they spread their maps on* tables in the lobby to plot their course before they set off in the *evening, a few seem to be less secre*tive.

On a highway east of Arjeplog, *the British car parts producer*, Lucas, has erected a big sign showing the location of its test course.

In another case, two Ford Scorpio cars with big computer terminals installed in the back seat and a fifth *wheel (used to measure speed accur*ately) protruding on its right side, were openly parked in central Arjeplog.



The new Subaru XT Turbo – NIS 46,623

What your new car costs

YITZHAK OKED

TEL AVIV. – Nearly all the salons of automobile importers were empty for the second day running after the government announcement of a price hike for new cars of between 12-35 per cent. The liveliest salon was that of Subaru whose price hike of 12 per cent was the most moderate as the importer pays the factory in U.S. dollars rather than yen.

Ephraim Mohar, an automobile assessor who also prints a regular price list of used cars, told *The Jerusalem Post* that he forecasts a complete standstill in the used car markets. He forecasts that this situation will continue at least till Passover.

According to Mohar, the prices of used models of cars that have now gone up by 12 per cent, like the Subaru and the American makes, will drop by about three per cent. This is because the price of all used cars went up by 10 per cent or more during the past few months due to rumours that new car prices were going to increase.

Prices of new Spanish-made cars went up 20 per cent and their second-hand value will remain *more or less static.* Used car prices of new cars which rose by about 35 per cent should go up by about 10 per cent.

Mohar advises potential buyers to wait as there is a possibility that the prices of used cars might even drop.

Car and model	CC	Price Includ. Vat (NIS)	plus compulsory deposit (NIS)
Opel Corsa	1000	24,503	27,533
Chevrolet Caprice	—	101,090	113,700
Opel Rekord	1800	34,084	38,281
Mini Metro Austin	1300	14,284	16,147
Montego Austin	1300	19,500	22,000
Oldsmobile Cutlass	3800	87,000	100,000
Volkswagen Polo	1050	18,306	20,682
Audi 80	1300	28,000	31,650
Audi 100	1800	57,300	64,775
Subaru Justy	1000	12,903	15,013
Subaru 1300 regular	1300	17,915	20,651
Subaru 1300 Station	1300	18,494	21,279
Subaru XT TurboSport	1800	38,338	46,623
Fiat UNO Fire	1000	16,416	18,057
Fiat Regata	1300	21,503	23,662
Fiat Regata	1600	31,497	34,654
Peugeot 205	1124	—	22,300
Volvo	2849	—	115,400
Mercedes 300	—	—	168,300

Troubling import trend in UK car market

LONDON. – "Do we want a British car industry?" asked a recent full page advertisement in British newspapers.

"Do we want an industry that earns money for *Britain?" the adver*tisement continued, "or do we want to export those jobs, and all the *wealth they create?"*

These questions have all come to a head following a rash of reports that the *government is about to sell off* parts of Britain's last remaining home-owned major motor company, *British Leyland.* Unsurprisingly it was BL's board which placed the adverts in the newspapers.

It was an indication of the mass of contradictions displayed by Britain's *state-owned car industry.* Although the country remains a producer of cars for the mass market, almost 59 *per cent of all the cars sold in Britain* are imported – and the trend is rising. Also, although the British *economy remains in the doldrums,* the car market is still growing faster than practically any other car market in Europe.

Yet cars are more expensive in Britain than they are in most continental European countries. So, with sales running at 1.8 million per year, Britain remains a market of considerable interest.

The overwhelming market leader is Ford of the United States with a 28 per cent share, followed by BL's Austin Rover with 18 per cent, hotly pursued by General Motors' Opel and Vauxhall cars which took almost 17 per cent of the market last year. Britain's roads present a splendidly cosmopolitan picture with cars from Japan, France, Germany and Italy in great preponderance, now joined by a growing number from countries such as Spain, Sweden, Yugoslavia, South Korea and Poland.

The great variety is hardly good news for British manufacturers, particularly BL which has laboured long and hard to eradicate an unfortunate *reputation for chaotic industrial re*lations, poor quality and lacklustre design. Just at the moment when it is showing *signs of turning the corner* – not quite into profit but no longer with massive losses – the government's avid desire for privatization has again come to the fore.

Over the past five years, $1.4 *billion of state aid has been poured* into British Leyland. But the Austin Rover division alone provides *38,000 jobs with probably twice that* number again in the mainly British supplier companies. For these reasons, the future of BL has been the focus of considerable political interest.

The only good news for British car enthusiasts in recent months has been provided by recently privatized Jaguar, formerly part of BL. With a firm share price in the plus 450p (630 cents) bracket, Jaguar seems to be constantly conquering new markets. But these are hardly the volume end of the business since the 'Jag' price tag starts at around $22,000.

AFTER A period of upheaval which began with a long strike in 1984 and continued through last year with uncertainty over exhaust emission control regulations, the West German motor industry is in full swing again.

All manufacturers expect the total market to be around 2.6 million units this year, an increase of nearly 9 per cent over last year.

According to the German Automobile Industry Association (VDA), the general position is good, with no overcapacity to worry about. There are, however, clear differences between firms.

The traditional market leader, Volkswagen, which last year sold 23.1 per cent of all new cars registered (28.6 per cent including its Audi subsidiary), has increased its capacity since the end of the strike.

Of the total 20,000 new jobs created in the industry last year, VW accounted for just over half, increasing its production by more than 2 per cent in a falling market.

The great success story, however, was Daimler Benz, makers of the luxury Mercedes cars, which increased its production by 18 per cent.

Building on the phenomenal success of its first "small" model, the 190, Daimler "killed everybody" – as one competitor put it – with the new "middle-class" 200 series introduced at the end of last year.

The big question is what will happen with imports, which effectively means the Japanese, who sold almost exactly half of all imported cars in West Gaermany last year – 13.3 per cent of new registrations.

In the past five years the Japanese market share has increased by about 25 per cent, knocking France into a distant second place among the imports.

Although German cars belonged to the best in the world technically, a spokesman for the industry association VDA said, the Japanese had a great price advantage. They had also greatly improved their quality in the past years.

IT IS impossible to watch American television these days without being doused, as never before it seems, by advertising to buy a new American car.

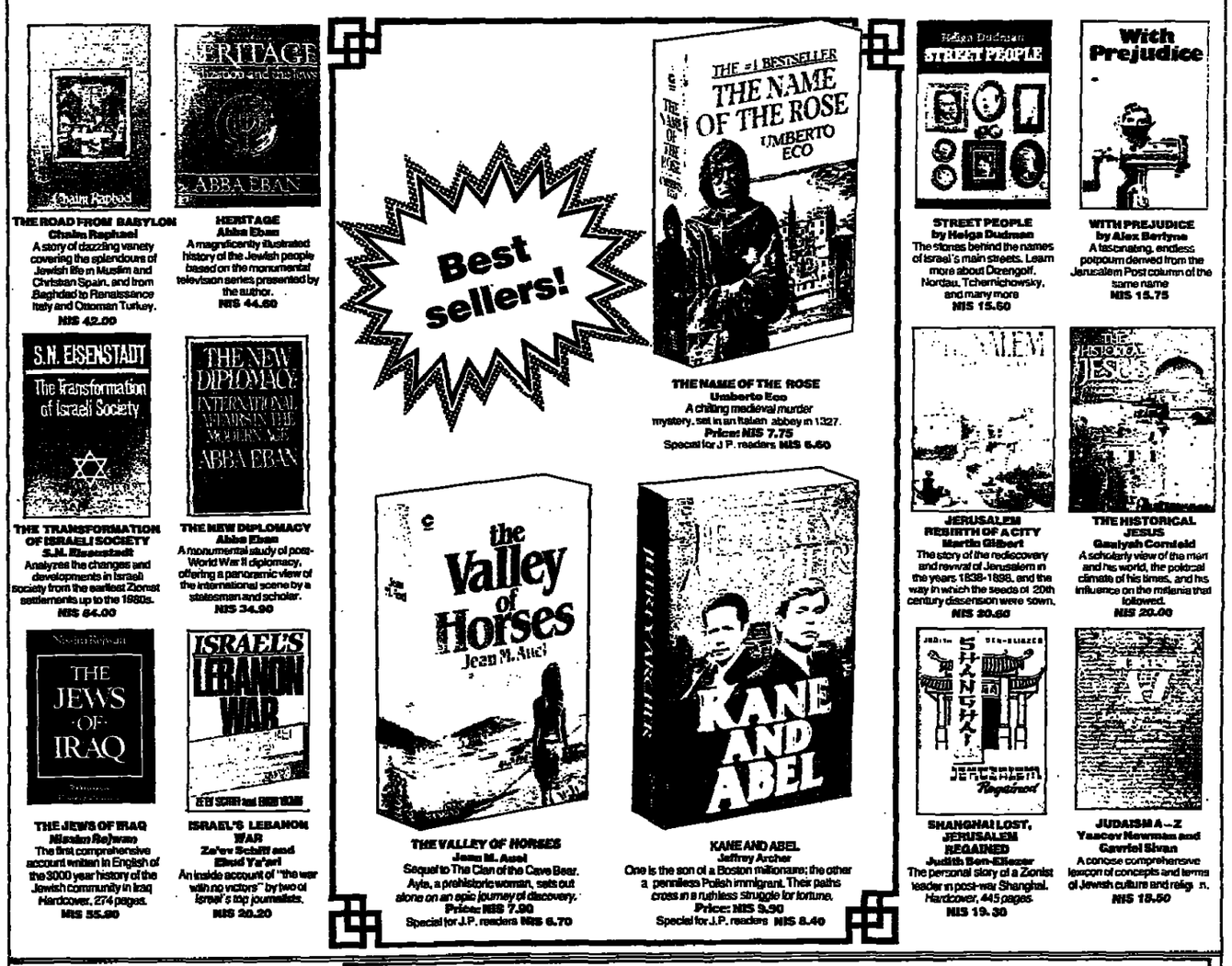
It's all part of Detroit's huge gamble: low financing on new cars – sometimes as much as 8 percentage points lower than bank rates for financing new cars – will clear the huge stocks of new cars and the industry will avoid production cuts. The gamble worked well last year. The annual new cars sales rate rocketed from 9.6 million in August to 11.3 million in September after De*troit dropped* financing to 7.5 per cent. In 1985, Americans bought 8.1 million new U.S. cars and have bought a staggering 27 million in the last 45 months.

This year, the big three, General Motors, Ford and Chrysler, have confidently kept up production to meet a hoped-for continual sales boom. But with a more sluggish economy, the cars are piling up in the salesrooms. General Motors inventories are 60 per cent up on a year ago and there are only slight declines at Ford and Chrysler. Some analysts say GM is building 10 per cent more cars than it is selling and they fore*cast that idle plants are only just* around the corner.

At the same time, analysts are also *forecasting car imports this year may* reach a record three million, or 29 per cent of the US market – and 42 per cent by 1991.

(Observer Business International Service)

The Jerusalem Post Library – March 1986



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Expensive but useful for busy people

No waiting list for new mobile telephones

By YITZHAK OKED
Jerusalem Post Reporter

TEL AVIV. – A new mobile telephone network was inaugurated here yesterday when Communications Minister Amnon Rubinstein punched out the telephone number of Prime Minister Shimon Peres. It took several minutes before the two men were able to talk to each other, but this was not due to a bad connection but the fact that the Prime Minister was busy at the Knesset.

The cellular mobile telephone system is still in its infancy in the U.S. and 11 other countries. Similar existing systems work through a central office, rather than the general phone network.

At the ceremony Rubinstein said he anticipated a strong public outcry against the ultra-modern system, while more than 200,000 people are still waiting for conventional telephones. "This system does not come at the expense of those waiting for phones. It has been set up by private companies and is a joint project of Tadiran and Motorola, called Motorola Tadiran Cellular Communications. According to our forecasts we will have eliminated the waiting list for telephones by April 1989."

Rubinstein said that the new system is a perfect example of this policy of allowing private companies to compete in the field of communications.

The cellular phone is stylish in looks and has many clever innovations, but what will probably give most motorists a jolt is its high price.

Company officials say that prices are not too high. They estimate that the average Israeli will talk about 200 minutes a month while on the road, much more than the U.S. average.

Daytime fees per minute are 90 new agorot, which means that the monthly telephone bill will be about NIS 200. There is also a monthly fee of NIS 100. (IN the U.S. this fee varies from $10 to $55). A one-time subscription fee of NIS 1,000 (in the U.S. $10 - $45), is charged.

Installing the phone in a car costs about NIS 3,900 (in the U.S. $1,500 - $1,600). A portable version, which can be unplugged from the car and used in the office or home, costs NIS 7,000 (in the U.S. $3,000).

The concept of the new system is simple: The country and its large cities are divided into geographical areas or cells (this is where the name comes from) of not more than several square kilometres. Each cell has its own radio antenna and numerous frequencies. Calls from a mobile telephone go to the nearest antenna, where the cells are routed to the regular telephone network.

Because cells are small and the power of the transmitter is low, the same frequency used in Acre can be used in Tel Aviv. Thus, theoretically, the system can accommodate more than 100,000 mobile phones.

Bezek has formed a new dialing area for the system – 050. This enables peoples to dial directly to the car and allows the driver to dial anywhere in Israel or the world.

At present persons from abroad or anywhere in Israel will be able to call the subscriber in his car. But the motorist will only be able to use his phone in the coastal area, from Netanya in the north to Ashkelon in the south, and in the Greater Tel Aviv area.

By July the company hopes to install additional transmitters and antennas, so that it will cover the complete coastal area, from Nahariya to the Gaza strip and from Tel Aviv up to Jerusalem.



Two men call each other – from their cars.

El Op floats $11m. R&D issue

By MACABEE DEAN
Jerusalem Post Reporter

NESS ZIONA. – El Op (Electro-Optics) yesterday announced it was floating under the R & D Investment Law an $11 million issue to help finance new generations of its products.

The company specializes in highly sophisticated military equipment, such as tank fire control systems, laser systems, thermal imaging, image intensification, avionics and opto-mechanical products. According to general manager Nathan Sharony it produces items on a level comparative with "if not better" than any country in the world. In 1984, it exported 50 per cent of its output, but last year this percentage dropped to 40 per cent.

Asked if this was not a bad time to invest in such fields, Sharony said that those electronics companies which had "run into trouble" had concentrated on a single produce line for a single market.

"We are not a one-product outfit, but a multi-product company with a wide market."

He refused, however, to state to which countries El Op markets its goods, but did note that the company was concentrating its present sales drive on the American military establishment. The company also has offices in Caracas, Santiago, Brazil, Bangkok, Tokyo, and is now setting up an office in Singapore.



Nathan Sharony

"We do not believe we can go it alone in the American market," Sharony admitted frankly, so El Op has set up with a U.S. company, Varo, whose headquarters are in Texas, a joint company called Veop.

Veop has annual sales of about $120m., and El Op had net sales of $85.6m. in 1985. Its sales this year should be about $96m. The company has orders on hand for $130m.

In the U.S. El Op will also use the sales facilities of Tadiran, which owns 50 per cent of El Op. (The other 50 per cent is held by the Federman group).

The company's profits were NIS 6.7m. in 1984, but fell to NIS 5.5m. last year.

El Op is the sixth company to float issues under the "R&D Law" (once called the "Elscint Law," after Elscint, which was the first company to do so). The other companies are Tadiran, Elbit, Scitex and Elta.

The issue will be in both shares and bonds. The latter will be linked to both the dollar and the index, and will be redeemed at the rate providing the highest yield.

Joseph Douer, deputy-general manager, (finances) stresses that the emission was aimed at people in the 60 per cent and up income tax group, since a good part of its yield will come from income tax exemptions.

Some 80 per cent of the emission has been underwritten by four Israeli banks and a financing company; the rest will probably be picked up by El Op workers.

The workforce has grown from 778 in 1981 to 1,296 in 1985, but fell to 1,205 this year (mainly due to the cut-back of orders by the Israeli military etablishment).

Of the 1,296 workers last year, 572 were technicians or people with academic qualifications.

Actual R&D expenditures have risen from 4.8 per cent of sales in 1981 to 13.4 per cent in 1985. In actual figures, they rose from $1.4m. in 1981 to $11.5m. in 1985.

NEWS FROM ABROAD

Tourism in Egypt down 40% since riots

Egypt's revenue from tourism has dropped by 40 per cent since last week's police riots, Tourism Minister Fouad Sultan said yesterday. Only 8,000 tourists had arrived since February 26, compared with 18,000 in the corresponding period last year, he added.

Thousands of police conscripts rioted last Tuesday, setting several hotels and nightclubs on fire in the Pyramids tourist area. Three five-star hotels were gutted and a fourth was badly damaged. One Danish tourist was among 37 people killed in the disturbances.

Sony and Matsushita in 'Video Wars II'

OSAKA (Reuter). – The mighty Matsushita empire is poised to strike back at arch-rival Sony in what has been dubbed "video wars two." Its objective – to foil Sony's bid to establish its new 8mm video tape equipment as the industry standard.

Sony last year scored a direct hit on Matsushita, the world's largest consumer electronics group, by introducing the lightweight 8mm recorders and cameras. Sony claimed the new products were destined to replace the present half-inch models, which are heavier and use tape almost 60 per cent wider.

Matsushita, makers of the Panasonic, National and Technics brands, has a huge stake in the half-inch format. It now says it will respond with aggressive marketing aimed at ensuring Sony's new products have only minority appeal.

Greece's record current deficit tops $3b.

ATHENS (AP). – Greece's current account deficit jumped by more than 50 per cent last year and topped $3 billion for the first time, according to Bank of Greece figures. Exports and invisible earnings declined in 1985, while imports went up.

The record current account deficit totalled $3.29b., a 54 per cent rise over the 1984 total of $2.13b. Exports dropped by 2.4 per cent, while imports rose by 8.2 per cent.

The Socialist government last October introduced austerity measures aimed at cutting the 1986 current account deficit to $2b. this year. They included a 15 per cent devaluation of the drachma, import restrictions and a virtual wage-freeze for the next two years.

Indian 'black money' raids net $13.8m.

NEW DELHI (AP). – Assets worth nearly $14 million were seized in three months during raids on the country's thriving "black economy," the Indian Parliament was told yesterday. Large amounts of cash and jewels were among the hidden assets worth 166.4m. ($13.8m.) seized in 1,777 raids conducted from November through January. Currency notes worth $577,000 were also recovered.

A recent study by the National Institute of Public Finance said so-called "black money" totalled about $30 billion last year, the equivalent of one-fifth of India's Gross National Product.

Saudi Arabia clamps down on foreign workers

In a move to clamp down on foreign workers, Saudi Arabia is to withdraw labour attachés from its embassies, issuing brochures on work conditions instead. This follows a number of moves by Saudi authorities to cut back on the expatriate work-force within its borders, now estimated at three million. The aim is to encourage employment of Saudi citizens, especially in the face of a shrinking economy because of declining oil prices.

Earlier in the year, the authorities limited the ability of higher-paid foreign workers to change companies within the country. Manual labourers are virtually unable to change their work places at all. (AP)

India's food surplus is rising

NEW DELHI (AP). – India lacks facilities to store a rising food grain surplus that includes 23.7 million metric tons of rice and wheat, parliament was told yesterday. Some of the surplus grains are lying in open fields under plastic covers, because the government has facilities to store only 10.2m. tons, less than half the surplus.

Despite the vast food surpluses, nearly 37 per cent of India's 750m. people reportedly are unable to meet minimum calorie requirements because they are too poor to buy grain. The government controls the prices and marketing of essential commodities like rice, wheat, sugar, coal, fertilizers and petroleum products.

'Ample room' for cuts in subsidies

By AVI TEMKIN
Post Economic Reporter

The government re-distributes to the public between $5 billion and $5.5 b. in subsidies, tax exemptions, tax reductions and free or cheap goods and services, a government committee said on Tuesday.

The committee headed by Aharon Fogel, the director of the Treasury's budgets division, was appointed by the Ministerial Economic Committee to estimate the amount of government subsidies granted yearly.

Treasury officials said that the committee was not empowered to judge whether each subsidy was necessary. Nevertheless, they said that the level of subsidies would probably influence the government's attitude towards its budget.

The officials said that the extent of subsidization leaves ample room for cuts. And this, they claimed, would reduce the public's tax burden.

According to the committee's calculations, the government disburses some $500 to $700 million on subsidies for consumer goods and services. It estimated that the cost of free or cheap social services is some $2 billion.

Another $600 million to $650 m. is spent on subsidies for production inputs. Subsidies for housing, agriculture, industry and transport cost some $285 million.

Tax reductions and tax exemptions totalled some $1.2 billion.

NUTRITION. – China said yesterday a national survey had indicated its one billion people are getting an average of 2,485 calories a day in their food, slightly more than the amount needed to keep people healthy.

Civil servants to fight wage erosion

By ROY ISACOWITZ
Post Labour Reporter

By April, when new wage agreements are due to come into effect, public service wages would have been eroded by 17 per cent over the previous year, Civil Service Union Secretary Reuven Ben-Ami said Tuesday.

In his opening address to the union's fourth convention, Ben-Ami said that he anticipated a "bitter struggle" with the Treasury over the workers' demand for compensation for the wage erosion. The demand will be raised during the wage agreement negotiations, which are due to begin next Sunday.

Reviewing events of the past four years, Ben-Ami said that some 1,200 civil servants had been retired or been dismissed since the introduction of the economic recovery programme last July. The number was half that demanded by the Treasury, he said.

Outlining his policy for the next four years, he said that his union would demand that all agreements relating to work conditions, including the status of pensioners, be included in the framework work agreements.

Ben-Ami was re-elected secretary by the 501 delegates to the convention, which ended yesterday after two days of discussions.

Spanish trade group coming next week

Jerusalem Post Reporter

A ten-member Spanish trade delegation is due here next week as guests of the Ministry of Industry and Trade, the Export Institute and the Israel-Spain-Latin America Chamber of Commerce.

This is the first such group to visit here since diplomatic relations were established between Israel and Spain a few weeks ago. Two more delegations will come here next month and in May.

The businessmen will meet with their Israeli counterparts as well as with government officials and will tour local industries.

Max Livnat, director of the Foreign Trade Administration, said Israel is anxious to develop a "substantial" two-way trade with Spain, not only because of the establishment of diplomatic ties, but also because Spain has recently joined the Common Market, with which Israel enjoys trade benefits.

Regrading scheduled for Jerusalem hotels

By GREER FAY CASHMAN
Jerusalem Post Reporter

Several hotels may be regraded following a spot-check in Jerusalem yesterday by officials of the Tourism Ministry and the Centre for Hotel Efficiency. Tourism Minister Avraham Sharir some time ago appointed a special committee to set new criteria for grading hotels. The committee recommended periodic reviews of hotel gradings.

The surveys are conducted with the cooperation of the Israel Hotels Association. Thirty hotels in different parts of the country will be inspected in the initial stage, but eventually all hotels will be scrutinized.

Two Antwerp diamond industry men jump bail

BRUSSELS (Reuter). – Two directors of a Belgian firm at the heart of a tax fraud probe into the Antwerp diamond trade have fled the country, their lawyer said this week.

Paul Speyer, acting for stock brokers Roger Kirschen & Co., told Reuters the men jumped bail of 7.5 million Belgian francs ($150,000) late last week.

Their flight came only days after they were informed that the authorities planned to fine the company 2.3. billion francs ($50m.) for tax evasion, he added.

Speyer said the men, Francois Leiser and Hilaire Beelen, had been under investigation for alleged laundering of undeclared diamond profits for their clients.

The probe has rocked the Antwerp polished-diamond centre, the world's largest, and brought threats by dealers to leave Belgium unless the investigation was halted.

Speyer said his clients had been persecuted and "chased out of the country" by the tax authorities. "I don't know where they get the figures from," he said.

He maintained the investigators were intent on forcing the company into bankruptcy with the bill for back tax, in order to bring the alleged criminal malpractices to light during scutiny of the company's business.

The diamond trade's annual turnover of 355 billion francs ($7.1b.) accounts for six per cent of Belgium's Gross National Product.

Diamond traders say many of them could move to more discreet centres, such as Tel Aviv or Bombay, if what they see as heavy-handed interference by the Brussels authorities continues.

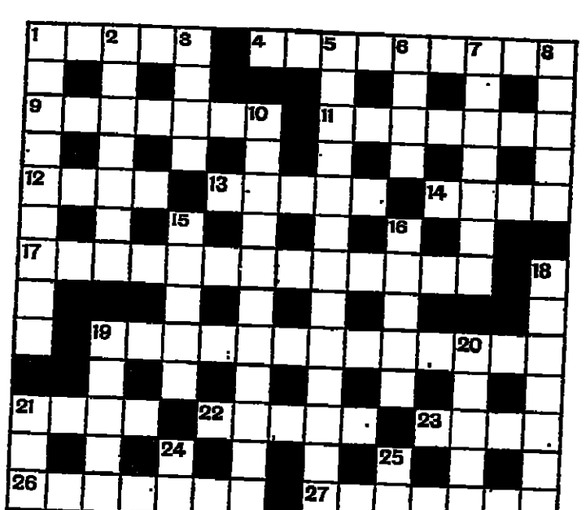
ONE-ON-ONE CROSSWORD

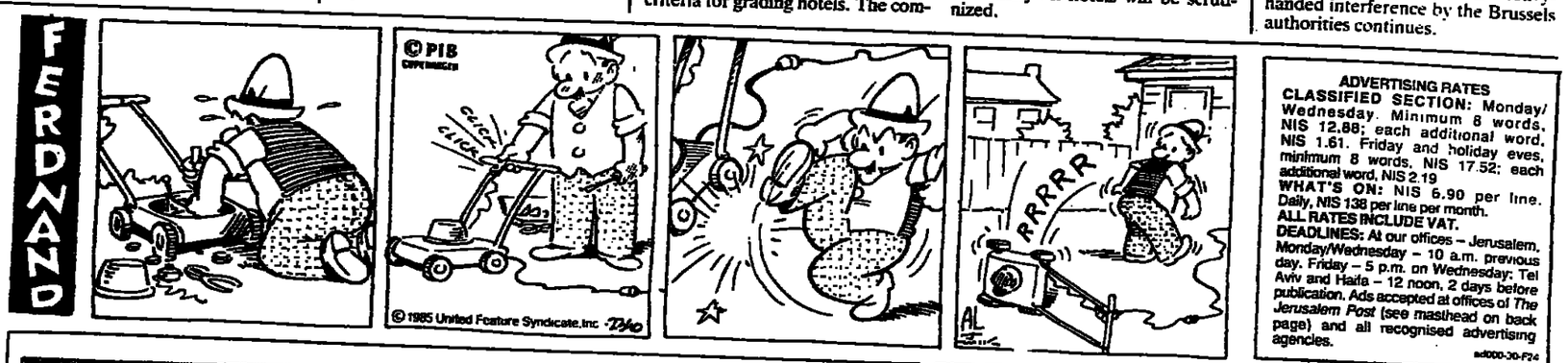
ACROSS

1 People around Basra (5)
4 Quilter's many pieces in one cover (9)
9 Type of child found in maths class? (7)
11 Does it make lashes feel heavier? (7)
12 Play for Othello's retirement (4)
13 Lots of vendors fall under it (5)
14 Spear a fish (4)
17 Anagrammatic clue to it—a sign! (13)
19 Captains who are up on deck? (7, 6)
21 Long stitch made by yachtsmen (4)
22 Stone a crowd (5)
23 Irritation of Italian churchleaders (4)
26 Bathing-pond for the masses, say (7)
27 Lyre was tuned for people at the bar (7)
28 Revolutionary move to go on the wagon (9)
29 Ringer, we hear, for a fair lady (5)

DOWN

1 Thus vegetable has a well-inverted sugar (9)
2 Loving a doctor—then turning sour (7)
3 Exclusive walking-on part (4)
5 Unreliable egg-pigment used on metal around the north (13)
6 Army receptionist? (4)
7 No allowance for speech (7)
8 Jack or king over church body (5)
10 This shows distance covered of wild game in pasture (9-4)
15 Nobody's journal (5)
16 Finger on the computer? (5)
18 Posse that goes out with all speed (4-5)
19 He makes a charge for his court appearance (7)
20 Nothing at repast could be in a porringer (7)
21 Subject of leading Olympic finalists (5)
24 Aspect of French life followed by Welsh? (4)
25 Clumsy fellow and a sponge (4)





ADVERTISING RATES
CLASSIFIED SECTION: Monday/Wednesday. Minimum 8 words, NIS 12.88; each additional word, NIS 1.61. Friday and holiday eves, minimum 8 words, NIS 17.52; each additional word, NIS 2.19
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ad000-30-F24

GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Hagidem Clinic, 1 Hagidem, 224173/8; Balsam, Salah Eddin, 272315; Shu'afat, Shu'afat Road, 810108; Dar Aldawa, Herod's Gate, 282058.
Tel Aviv: Arlozorov, 76 Arlozorov, 230746; Bass, 66 Frishman, 237326.
Netanya: Porat, 76 Petah Tikva, 40967.
Haifa: Hanassi, 33 Sd. Hanassi, 333312.

DUTY HOSPITALS

Jerusalem: Bikur Holim (internal, E.N.T.), Shaare Zedek (obstetrics, surgery, orthopedics), Hadassah Ein Kerem (pediatrics, ophthalmology).
Tel Aviv: Rokah (pediatrics, internal, surgery).
Netanya: Laniado (obstetrics, gynecology, internal, surgery, pediatrics).

FIRST AID

Magen David Adom emergency phone numbers (round the clock service).

Ashdod 41333	Jerusalem *523133
Ashkelon 23333	Kiron 344442
Bat Yam *5511111	Kiryat Shmona *44334
Beersheba 74767	Nahariya *923333
Carmiel *988555	Netanya *23333
Dan Region *781111	Petah Tikva *9231111
Eilat 7233	Rehovot *451333
Hadera 22333	Rishon LeZion 942333
Haifa *512233	Safed 30333
Hatzor 36333	Tel Aviv *240111
Holon 803133	Tiberias *90111

Mobile Intensive Care Unit (MICU) service in the area around the clock.
101 Emergency phone number in most areas.
"Eran" – Mental Health First Aid, Tel: Jerusalem 227171, Tel Aviv 261111/2, Haifa 672222, Beersheba 418111, Netanya 35316.
Rape Crisis Centre (24 hours), for help call Tel Aviv, 234819, Jerusalem – 245554, and Haifa 88791.
Jerusalem Institute for Drug Problems. Tel. 663828, 663902, 14 Bethlehem Rd.

Kupat Holim Information Centre Tel. 03-433300, 433500 Sunday-Thursday, 8 a.m. to 8 p.m. Fridays 8 a.m. to 3 p.m.

The National Poison Control Centre at Rambam Hospital, phone (04)529205, for emergency calls, 24 hours a day, for information in case of poisoning.

Tel Aviv: Dental Association clinic 48 Rehov Bar-Kochba, Friday: 6 p.m. to midnight: Saturday: 10 a.m. to 2 p.m.; 8 p.m. to 10 p.m. Tel. 03-284649.

Dental Clinic, 25 Rehov Ahimeir, Ramat Aviv Gimmel, Shabbat and holidays: 6 p.m. – 10 p.m. Weekday evenings: 4.30 – 10, Tel. 03-425832.

POLICE

Dial 100 in most parts of the country. In Tiberias dial 924444, Kiryat Shmona 4444.

FLIGHTS

24-Hours Flight Information Service: Call 03-9712484 (multi-line). Arrivals Only (Taped Message) 03-381111 (20 lines)

QUICK CROSSWORD

ACROSS

1 Foreign Secretary
3 Assembling like bees
9 Fireplace
10 Harsh, stern
11 Beverage
13 Bit by bit
14 Meal
16 Result of tension
18 Given to plundering
20 Small money present
22 Basic component
23 Daughter to King Lear
25 Dodge
26 River in Scotland

DOWN

1 Lifting-device
2 Facetious person
4 Mammal related to stoat
5 Esteem
6 Eglantine (anag.)
7 Mischievous sprite
8 Jump
12 Seize, arrest
14 Quell
15 Electric razors
17 Push against, elbow
19 Anecdote
21 Coin
24 College servant



Yesterday's Solution

S	Y	L	L	A	B	U	S		S	Q	U	A	L	L
A		A		I		N			U		E		A	
F	A	T	A	L	I	S	M		T	E	A	S	E	T
A		E		I		U			S		T		I	
R	E	S	O	N	A	N	T		I	T	C	H	E	N
I		T		G		G		A		I		E		I
					T	H	E	B	R	O	N	T	E	S
Q		V		O		E		L		N		E		T
U	N	I	N	F	O	R	M	E	D					
O		R		F		O		S		R		S		G
T	O	U	C	A	N		P	E	D	E	S	T	A	L
I		L		N				A		P		A		O
E	M	E	N	D	S		I	M	P	O	S	T	O	R
N		N		O				A		R		U		I
T	I	T	A	N	S		A	N	A	T	H	E	M	A

QUICK SOLUTION

ACROSS: 1 Mantle, 4 Peace, 8 Right, 9 Reverse, 10 Gallant, 11 Edge, 12 Hag, 14 Bang, 15 Ruff, 18 Yet, 21 Oval, 23 Endless, 25 Transit, 26 Eagle, 27 Rummy, 28 Stated. DOWN: 1 Mirage, 2 Nigella, 3 Lethargy, 4 Pave, 5 Aired, 6 Exeter, 7 Wrath, 13 Gradient, 16 Freight, 17 Boater, 19 Testy, 20 Ascend, 22 Alarm, 24 Espy.

Your generosity helps build better lives...

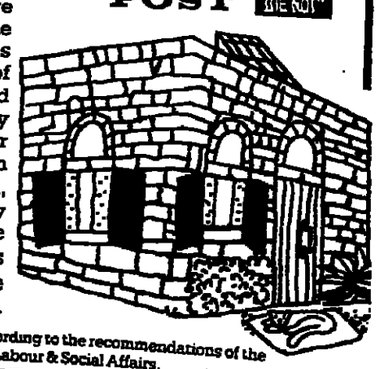
Contributions to The Jerusalem Post Forsake Me Not Fund go a long way to providing comfort and security for needy elderly in Israel.

Every year, a portion of the campaign funds are allocated to upgrade the living conditions of Israel's elderly people, many of whom live in sub-standard homes that urgently require repair or renovation. Broken walkways are repaved, railings installed, faulty electricity rewired. Some homes need new showers or toilets, others receive security locks or beepers.

All funds are allocated according to the recommendations of the Ministry of Labour & Social Affairs.

The elderly of Israel need your contributions. Please – give generously.

Accepting Offices:
Jerusalem:
The Jerusalem Post Building,
Romema Industrial Zone
Tel Aviv: 11 Carlebach St.
Haifa: 13 Nordau St.
Hadar Hacarmel
Or send by mail to:
The Jerusalem Post,
POB 81, Jerusalem, 91000
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THE JERUSALEM POST FORSAKE ME NOT FUND



HEY! DOG OWNERS!
Did you know...

Paragraph 9 of the ordinance on rabies control states: "the veterinarian must order the destruction of any dog which is not restricted by a leash and muzzle when on the street."



هكذا من الاصل

MARKET PLACE

AARON SITTNER

The great shale oil gamble

At a ceremony in the arid Negev village of Mishor Rotem last November, shutters clicked and TV cameras whirred as Prime Minister Shimon Peres accepted the first barrel of synthetic crude oil produced in Israel, at an experimental facility in the village.

The state-owned corporation whose scientists worked the miracle – Pama – estimates that Israel, especially the Negev, is sitting on 10 billion tons of oil shale, a chalk-like rock. That deposit could yield about 500 million tons of synthetic crude oil – *enough to meet the country's needs* for 60 years.

But, there is a hitch in all this: the cost of extracting a barrel of oil from shale ranges from $35 to $39. And the real stuff – the petroleum available to Israel from Egypt, Mexico and on the *spot markets* – now costs between $14 to $16 a barrel.

"We must not under-estimate the potential of shale oil, even when the world crude oil markets crashes," says Dr. Pinhas Glueckstern, chief scientist at the Ministry of Energy and Infrastructure. "Pama will continue to receive half of all the R&D funds we spend each year for alternative sources of energy."

This year, that "half" is almost $3m. and will probably grow in the next year's budget. Since the Energy Ministry was established in 1977, about $20m. has been spent on attempts to extract crude-like oil *from shale, and above $28m. on solar* energy research.

In view of the nose dive of oil prices, says Glueckstern, the emphasis in Pama's work will now switch to feasibility studies connected with shale's use as a "direct" fuel. This means mining the stuff and burning it, like coal, to fire the boilers at electric power generating plants to be built in the future. Given the special furnace beds needed to accommodate shale rock, Pama believes it could bring shale up from the ground at a cost of $2.50 per ton.

Well, that's not bad, even when you bear in mind that it takes 12 *times as much* shale rock as coal to produce the same amount of steam to drive the electricity producing turbines. With the current price of coal at about $57 a ton, the $30-per-ton promise of shale rock is indeed attractive.

Another major beneficiary of energy ministry research funding is the solar pond power plant, at Beit Ha'arava, on the shores of the Dead Sea. Dedicated with great fanfare in July 1984, when its output terminals were hooked into the national power grid, this novel five-megawatt power plant is now faced with "certain problems," which brings the cost of a kilowatt-hour of electricity up to more than double the 6 per KWH it costs the Eletric Corporation at its *coal and oil fuelled power plants.*

But, as in the case of shale rock research, experimental work in solar electricity will continue, says Glueckstern.

Israeli energy researchers know that solar pond electricity is produced *at lower conversion efficiency* than more sophisticated methods of converting the sun's rays into energy. On the other hand, solar ponds are relatively simple, require much lower installation outlays and are more reliable.

The one at Beit Ha'arava is sponsored by the energy ministry to the tune of 80 per cent, with the remaining 20 per cent covered by Ormat Turbines of Yavne.

A solar pond is a man-made pool of water that stores enough heat to drive *a special turbine.* But not every body of water can be a solar pond, since an ordinary pond's water has a uniform density throughout. As a result, when sunlight hits the pond, the rays pass through the upper layers, downward, heating the bottom layers. Having become *lighter* because of the heat, they rise to the surface, displacing the heavier cold layers of water. This movement causes convection currents which rapidly disperse heat throughout the pond and prevent and portion of it from reaching a high temperature.

A solar pond, however, is non-convecting. Dissolved salt makes the water at the bottom heavier in density than the upper layer waters. As the sun's rays hit the lower layers, they are warmed yet *do not rise* to the top. As a result, the sun's heat is effectively trapped at the bottom.

The hot brine then is pumped to an evaporator where its heat vaporizes an organic fluid that drives the turbine and generator.

Barclays Discount profits up sharply in 1985

By PINHAS LANDAU
Post Finance Reporter

TEL AVIV. – Barclays Discount, a joint subsidiary of Israel Discount Bank and Britain's Barclays Bank International, yesterday announced an inflation-adjusted net profit of NIS 9.6 million ($6.4m.) for 1985. This *figure represents a 36 per cent* improvement over the previous year in real terms.

Barclays Discount is the first of the commercial banks to publish its results, and these are regarded as a portent of what may be expected from the major banks. A number of features stood out in the balance-sheet and the profit figures which analysts regard as *indicative of the* general trend in the banking system last year.

Thus, the decline of the balance-sheet total by one-sixth, to NIS 883m. ($588m.), reflects the fact that dollar or dollar-linked assets – which comprise over half of the bank's total – rose less in value than did the consumer price index during 1985. Since the accounts are adjusted to *inflation rather than devaluation*, these assets and dollar loans as well, shrank in value against the shekel.

However, the net profit, when added to the bank's existing equity base, boosted shareholder's equity 23 per cent, to NIS 43m., or almost 5 per cent of assets, compared to 3.3 per cent last year.

The net profit represents a return on equity of some 20 per cent, in itself an impressive statistic. But this should be seen against a jump in gross profits of 68.3 per cent in 1985, which meant that the gross return on equity reached the mammoth proportion of 66 per cent.

Barclays Discount's tax bill soared by almost 90 per cent however, and this resulted in the relatively small gain in net profits, compared to the *gross, or pre-tax, figures.*

The key component in the higher profits was the huge margin between borrowing and lending costs, from which the banking system benefited for much of last year. Barclays Discount's income from interest tripled in nominal terms, while its expenses on interest only rose by 125 per cent.

The deteriorating state of the economy led the bank to more than double its provisions for loan losses last year, to a total of NIS 9m.

Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:

General Share Index	105.80	+0.35%
Non-Bank Index	120.34	+0.93%
Arrangement	99.29	+0.03%
Insurance	130.79	+2.69%
Commerce, Services	121.20	+0.77%
Real Estate	142.85	+2.18%
Industrials	113.99	+0.51%
Textiles	136.11	+1.73%
Metals	*117.24*	*–1.02%*
Electronics	95.81	+0.92%
Chemicals	110.58	+0.33%
Industrial Invst.	119.16	+0.08%
Investment Cos.	128.30	+0.81%
General Bond Index	98.85	+0.26%
Index-linked Bonds	99.13	+0.23%
Fully-linked	100.35	+0.33%
Partially-linked	98.37	+0.17%
Dollar-linked Bonds	*96.48*	*–0.06%*
Short-term 0-2 yrs	98.84	+0.10%
Medium-term 2-5 yrs	98.71	+0.04%
Long-term 5+ yrs	97.94	+0.70%

Turnovers:

Shares – total	NIS	9,077,300
Arrangement	NIS	2,210,500
Non-bank	NIS	6,866,800
Bonds – total	NIS	2,312,600
Index-linked	NIS	1,032,000
Dollar-linked	NIS	1,340,600
Treasury Bills	NIS	8,370,600

Share Movements:

Advances	196	(182)
of which 5%+	76	(60)
"buyers only"	24	(17)
Declines	89	(125)
of which 5% –	19	(22)
"sellers only"	3	(7)
Unchanged	106	(97)
Trading Halt	50	(37)

Bond Market Trends:

Index-linked
3% fully-linked Rises tc. 3%
4.25% fully-linked Rises to 2%
80% linked Mixed to 0.5%
90% linked Stable
Double-linked Rises to 1%
Dollar-linked
Admon Rises to 0.5%
Rimon Rises to 1%
Gilboa Rises to 2%
For. Curr. denominated Mixed to 1%
Treasury Bills (monthly yield) 1.53 – 1.84%

Arrangement yields:

IDB ord.	14.04%
Union 0.1	13.73%
Discount A	14.26%
Mizrahi r.	14.15%
Hapoalim r.	13.85%
General A	13.47%
Leumi stock	14.10%
Fin. Trade 1	12.77%

SELECTED PRICE QUOTATIONS

Name	*Price*	*Volume '000NIS*	*% change*
Commercial Banks			
(not part of "arrangement")			
Maritime 1	930	3714	–9.4
General non-arr.	33000	78	+0.3
First Int'l	3560	3501	+3.2
FIBI	*3300*	*1324*	*+0.3*
Commercial Banks			
(part of "arrangement")			
IDB r	75600	262	+0.1
Union 0.1	58650	15	—
Discount	96000	512	—
Mizrahi	31035	565	—
Hapoalim r	51580	901	—
General A	133000	2	—
Leumi 0.1	32590	937	+0.0
Fin. Trade	44600	—	—
Mortgage Banks			
Leumi Mort. r	4800	1257	+5.6
Dev. Mort.	885	2013	—
Mishkan r	1950	103	–1.0
Tefahot r	*10700*	*62*	—
Merav r	1922	2182	–6.3
Financial Institutions			
Agric C	33920	—	+6.0
Ind. Dev. DD	no trading		
Clal Leasing 0.1	6800	50	+4.5
Insurance			
Ararat 0.1 r	3960	239	+7.6
Hassneh r	2595	6328	—
Phoenix 0.1	1348	1828	+10.0
Hamishmar	6200	17	+4.2
Menorah 1	6508	—	–5.0
Sahar r	3379	557	—
Zion Hold. 1	11305	37	—
Trade & Services			
Meir Ezra	4337	764	+6.1
Supersol 2	4399	320	–0.0
Delek r	4195	3791	—
Lighterage	9700	119	—
Cold Storage	1101	1325	+7.2
Dan Hotels	3700	201	–0.0
Yarden Hotel	no trading		
Hilon 1	11169	105	—
Team 1	1550	963	—
Real Estate, Building and Agriculture			
Azorim	4090	1414	—
Elion	1170	882	+7.3
Africa Isr. 0.1	37000	78	—
Dankner	3751	2233	+10.0
Prop. & Bldg.	*2510*	*2049*	—
Bayside 0.1	no trading		
ILDC r	39380	580	+10.0
Rassco r	4410	b.o.1	+5.0
Mehadrin	11000	75	–1.8
Hadarim	1100	4084	—
Industrials			
Dubek b	2700	620	–2.9
Pri-Ze 1	3400	s.o.1	–5.0
Sunfrost	4921	138	—
Elite	12650	1108	–2.0
Adgar	865	13392	+5.1
Argaman r	6660	146	+0.9
Delta G 1	4330	1070	+1.4
Mequetta 1	22037	38	+5.8
Eagle 1	10377	151	–10.0
Polgat 0.1	8590	150	—
Schoellerina	12950	74	—
Rogosin	2855	941	+0.2
Urdan 0.1 r	12850	270	–0.8
Is. Can Co. 1	976	3236	—
Zion Cables	2034	714	–10.0
Pecker Steel	5400	328	+9.3
Elbit 3 r	398000	29	+2.1
Elron	no trading		
Arit	31000	247	—
Clal Electronics	2855	3407	—
Spectronix 1	1745	763	–0.6
T.A.T. 1	3630	472	+5.2
Ackerstein 1	*1345*	*1530*	—
Agan 5	17180	117	+1.1
Alliance	1132	b.o.2	+5.0
Dexter	3280	118	–0.6
Fertilisers	99517	b.o.1	+5.0
Haifa Chem.	860	2586	–0.5
Teva r	50000	137	–0.3
Dead Sea r	13400	920	—
Petrochem.	370	11702	+2.5
Neca Chem.	*3200*	*185*	*–5.1*
Frutarom	7614	81	—
Hadera Paper	170100	71	+0.8
Central Trade	6000	7726	—
Koor p	5350000	1	–0.9
Clal Inds.	1416	12092	+1.0
Investment Companies			
IDB Dev. r	3365	4055	—
Ellern	2432	16447	+3.1
Afik 1	620	6591	+0.2
Gahelet	1370	223	+5.45
Israel Corp. 1	7456	414	–0.0
Wolfson 1 r	*65500*	*1*	*–0.8*
Hapoalim Inv.	4105	706	+0.4
Leumi Invest.	5348	1102	—
Discount Invest.	2133	8374	+2.5
Mizrahi Invest.	10048	258	+7.5
Clal 10	2438	1352	—
Landeco 0.1	7249	31	+10.0
Pama 0.1	*4470*	*936*	*+6.2*
Oil Exploration			
Paz Oil Expl.	11100	150	+5.7
J.O.E.L.	1287	2459	+10.0

Abbreviations:
s.o. sellers only b bearer
b.o. buyers only r registered

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Barclays Discount Bank Ltd.

Condensed Consolidated Balance Sheet as at December 31, 1985 (in NIS Thousands)
Adjusted for the Effects of Inflation and based on the Index of December 1985

ASSETS	December 31 1985	1984
Cash and deposits with Bank of Israel	283,259	358,144
Deposits with banks	75,208	95,837
Bonds for investment	*85,064*	*141,484*
Shares for investment	234	232
Securities for trading	16,510	1,660
Loans to the Government	177,813	149,953
Loans to the public	220,715	265,211
Buildings and equipment	33,816	34,421
Other assets	10,401	7,671
	883,020	1,054,713
LIABILITIES		
Deposits of banks	9,655	19,421
Deposits of the public	743,862	898,311
Deposits for granting of loans	42,097	67,350
Subordinated Capital Notes and Unconvertible debentures	15,008	18,252
Other liabilities	29,212	16,273
Total liabilities	839,834	1,019,607
Minority interest	14	13
Shareholders' equity	43,172	35,093
	883,020	1,054,713

Condensed Consolidated Statement of Profit and Loss for the Year Ending December 31, 1985 (in NIS Thousands)
Adjusted for the Effects of Inflation and based on the Index of December 1985

	1985	1984
Operating profit before taxes	31,711	18,840
Provision for taxes on operating profit	22,131	11,788
Operating profit after taxes	9,580	7,054
Outside shareholders' interest	(1)	(4)
Net profit	9,579	7,050

Consolidated Statement of Changes in Shareholders' Equity for the Year Ending December 31, 1985 (in NIS Thousands)
Adjusted for the Effects of Inflation and based on the Index of December 1985

	1985	1984
Shareholders' equity at the beginning of the year	35,093	28,075
Net profit for the period	9,578	7,050
Dividend paid	(1,499)	(32)
Shareholders' equity at the end of the year	43,172	35,093

The full financial report is available for inspection at all branches of the Bank.

ad578-86 (23

FINANCIAL DATA: ISRAEL, EUROPE, U.S.

Israel Money Markets March 5, 1986

SHEKEL INTEREST RATES
PRIME BORROWING RATE: 1.75% per month
Unlinked Deposit (Annual Rates)

	LAST UPDATED	TAPAS	PAKAM 7-DAY	PAKAM 30-DAY
LEUMI	5.3	6–19%	7–18%	6–19%
HAPOALIM	20.2	8–18%	13–17%	13–17%
DISCOUNT	28.2	8–17%	9–17%	10–17%
MIZRAHI	18.2	12–19%	12–20%	12–18%
FIRST INT'L	20.2	8–18%	8–18%	8–18%

Rates vary according to size of deposit.
(Tapas: demand deposit paying daily interest.
Pakam: fixed-term deposit available from 7 to 59 days.)

PATAH — FOREIGN CURRENCY DEPOSIT RATES (as of March 5)

	3–MONTHS	6–MONTHS	12–MONTHS
USD	7.125	7.125	7.125
STG	11.500	11.250	10.875
DMK	3.750	3.750	3.750
SFR	3.125	3.125	3.125
YEN	4.375	4.000	4.000

Rates vary according to size of deposit and are subject to change.

SHEKEL FOREIGN EXCHANGE RATES

COUNTRY	CURRENCY		CHEQUES AND TRANSACTIONS Purchase,	Sale	BANKNOTES Purchase,	Sale	BANK OF ISRAEL Representative Rates
U.S.A.	DOLLAR	1	1.4733	1.4817	1.45	1.52	1.4811
GREAT BRITAIN	STERLING	1	2.1584	2.1853	2.12	2.22	2.1898
GERMANY	MARK	1	0.6654	0.6742	0.66	0.69	0.6694
FRANCE	FRANC	1	0.2164	0.2191	0.21	0.22	0.2177
HOLLAND	GULDEN	1	0.5893	0.5967	0.58	0.61	0.5928
SWITZERLAND	FRANC	1	0.7849	0.7947	0.77	0.81	0.7887
SWEDEN	KRONA	1	0.2061	0.2086	0.20	0.21	0.2070
NORWAY	KRONE	1	0.2107	0.2134	0.21	0.22	0.2117
DENMARK	KRONE	1	0.1803	0.1825	0.18	0.19	0.1811
FINLAND	MARK	1	0.2913	0.2949	0.29	0.30	0.2929
CANADA	DOLLAR	1	1.0412	1.0542	1.02	1.07	1.0463
AUSTRALIA	DOLLAR	1	1.0357	1.0407	0.70	1.00	1.0423
SOUTH AFRICA	RAND	1	0.7440	0.7533	0.71	0.78	0.7469
BELGIUM	FRANC	10	0.3233	0.3274	0.32	0.33	0.3270
AUSTRIA	SCHILLING	10	0.9490	0.9808	0.93	0.96	0.9532
ITALY	LIRE	1000	0.9783	0.9905	0.96	1.01	0.9841
JAPAN	YEN	100	0.8224	0.8327	0.81	0.84	0.8268
JORDAN	DINAR	1	—	—	4.06	4.31	4.1101
EGYPT	POUND	1	—	—	0.81	0.86	0.8627

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European Financial Markets

Precious Metals

GOLD:	LONDON	A.M. FIX	342.20	P.M. FIX	344.50
	PARIS	NOON FIX	346.40	ZURICH P.M.	341.25
SILVER:	LONDON	FIX	569.80		
PLATINUM:	LONDON	P.M.	404.25		
PALLADIUM:	LONDON	P.M.	107.00		

FOREIGN CURRENCY CROSS RATES (London 15.30GMT)
Forward Rates

	SPOT	3 MTHS	6 MTHS	12 MTHS
POUND STERLING	1.4570/80	113/110	162/159	290/285
DEUTSCHE MARK	2.2390/05	125/120	189/184	370/360
SWISS FRANC	1.8895/10	130/123	195/187	375/365
DUTCH GULDEN	2.5270/85	88/85	126/123	262/255
FRENCH FRANC	6.8760/10	750/800	1150/1225	1850/1950
JAPANESE YEN	180.40/50	58/56	89/86	183/179
ITALIAN LIRA	1521.50/50	3000/3125	4100/4250	7175/7375
BELGIAN FRANC	45.810/830	20/23	25.5/29.5	33/38
HONGKONG DOLLAR				
S.AFRICAN RAND	0.5045/55	36/31	48/43	80/70
CANADIAN DOLLAR				
AUSTRALIAN DOLLAR	0.7030/37	122/119	173/168	317/311
SWEDISH KRONA				
NORWEGIAN KRONE	7.0550/50	610/630	955/975	1940/1980
DANISH KRONE	8.2775/00	–50/0	–50/0	–50/50

Formula for determining forward rates:
high/low (eg. 220/210) — deduct from spot price.
low/high (eg. 210/220) — add to spot price.

New York Financial Markets

WALL STREET Closing Prices

Dow Jones Indices

IND	1,686.66	+0.24
TRANS	785.57	–1.35
UTILS	182.45	–1.79
NYSE COMP	129.65	–0.10
NASDAQ COMP	*359.84*	*–1.17*
S–P 100 INDEX	214.79	+0.11
S–P COMPOSITE	224.18	–0.20
AMEX INDEX	257.42	+1.74

NYSE Highest Volume

WESTN AIR	12¼	+⅝
IBM	148⅜	–1⅜
EAST KODAK	57⅛	+2⅝
McDERMOTTM	16⅞	+2⅛
SOUTHERN	22¾	–¼
BANK AMER	16⅛	+⅜
ATT	22⅜	–⅛
INCO	15¼	+⅜
OXY PETE	25⅛	–⅝
WARNER COM	39⅞	+¾

Statistics

NYSE	VOL. 155,415,942	STOCKS UP 710	DOWN 976
NASDAQ	VOL. 135,010,700	STOCKS UP 1184	DOWN 900

Comment
WALL STREET STOCK RETREAT FURTHER NEW YORK: Stocks went to the lowest level of the day yesterday as sell programmes added to the earlier weakness stemming from a declining bonds market and stabilizing oil futures, as well as weaker IBM shares, traders said.

ISRAELI STOCKS Traded in New York:

NYSE and ASE

	Last	Prev. Close	High	Low	Vol ('00s)
Alliance	1¾	1⅝	1¾	1¾	3
Am Isr Pap	10⅝	10⅝	11	10⅛	49
Ampal	2⅜	2½	2⅜	2⅜	2
Elscint	3¾	3⅝	4	3½	1953
Etz Lavud	12⅝	12⅝	12⅞	12½	51
Laser Inds	14⅜	14⅛	14⅝	14¾	253

Over the counter

	last	bid	ask		last	bid	ask
Bank Leumi	0	20	22	Interpharm	0	4¼	4½
Elbit	7½	7⅝	7⅞	Optrotech	10	10	10¾
ECI Tel.	8½	7¾	8½	Rada	0	10¼	10⅝
Elron	6⅞	6⅞	7	Scitex	8½	8¼	8½
Fibronics	13½	13⅜	13½	Taro-vit	0	3⅛	3½
IDB Bank	0	46	50	Tevapharm	0	3¾	4⅛
IIS	0	4⅞	5⅛	SPI	6¾	6¾	7⅛

U.S. Money Rates

Prime 9.50%; Broker 8.75%; NY Euros 3 months. 7¾% Fed Funds last 7⅝%

New York Foreign Exchange

	DMK	SFR	STG	YEN	CAN
YESTERDAY'S CLOSING	2.2120/35	1.8800/20	1.4630/40	179.35/45	1.4185/75
OPENING	2.2310/20	1.8870/80	1.4625/35	179.80/90	1.4125/35
LATEST	2.2670/90	1.9130/50	1.4525/35	180.85/00	1.4185/75

Comment
DOLLAR EDGES HIGHER IN NEW YORK
The dollar edged higher but seemed to lack sufficient momentum to break the 2.27–Mark level. It remained up because of a weak U.S. bond market and belief that Bundes bank will cut Discount and Lombard rates today.

Overseas financial data – from Reuters exclusively to *The Jerusalem Post.*



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Lessons to be learnt

IN THE SWEEPING rescue operation of Zim, Solel Boneh, Elscint and Kupat Holim, each one is a separate case. But all of them have four common elements: All these enterprises have been badly managed; all are victims of a thoughtlessly cautious monetary policy that raised interest rates to levels fit to break the back of even well-managed firms; all will be rescued at the taxpayer's expense – and the rescue operation itself will be directed not at the workers but at the firms, so that unemployment, far from being alleviated, will be aggravated.

Zim will be re-nationalized. The Eisenberg Group, so eager to take over the Israel Corporation when the going seemed good, was converted to "socialism" when things turned bad. Now it is only too glad to have its share in Zim – which is to say the debts – taken over by the government. The renationalization will not make much difference to the actual management of the shipping line, even if its general manager is replaced by his deputy. The government, unable and in any case reluctant to manage the companies it owns, will seek buyers for its shares. If it discovers the buyers, it will sell Zim for a song.

Solel Boneh will get its short-term debts re-scheduled on condition that it sell off properties, divest itself of dud investments, and sack 3,200 of its permanent staff. Those to be fired will find small consolation in the substitution of Ehud Shilo for Shraga Rotman who managed to run the concern into the ground but who will probably be rewarded for his resignation by some suitable new appointment, even if it isn't the originally reported chairmanship of the board of Mishkan, Bank Hapoalim's mortgage bank. The 26 directors of the concern will not stand in line for unemployment benefits either.

Kupat Holim, having long steadfastly refused to raise its dues and fees, will finally consent to make them a little more progressive, and to charge some fees for various services. It will also have to sell off property, including 500 flats it owns, and fire more than a thousand workers, who will also have to say goodbye to the same management.

In the case of Elscint – "the flagship of Israel's hi-tech industry" – the commercial banks have magnanimously agreed not to slaughter the goose that lays the golden eggs. They will write off $80 million of the debt Elscint owes them, take share options in exchange, and reschedule another $50 million of short-term debt. The magnanimity will not cost them much, because they will charge the write-off to tax-deductible losses, even retroactively. Most of the bill will thus be footed by the government.

In all these cases, and in those yet to be dumped in the government's lap, both malady and remedy are reminiscent of the situation in Latin American countries.

There is, however, one important difference. Better management here might have been able, even in the face of draconian interest rates, to avoid the snowballing of an original debt of $20 million to one of $200 million, as was the case with Kupat Holim, and has also happened to much of Solel Boneh's or Elscint's short-term debt. With foresight and a gradual adjustment to changed market conditions by earlier retrenchment, the massive layoffs that have now become inevitable might have been avoided.

But these faults of management do not absolve the government of its own responsibility for the plight of these firms.

If it is the government that will foot the bill, it is the government, too, and not the commercial banks, that should take the firms over. Moreover, unless the lesson from this first rescue effort is learnt, and real interest rates are brought down to tolerable levels, the government will be forced to bail out many more mendicant enterprises to the point where the entire stabilization policy will be undone, and unemployment will rise to truly intolerable levels.

Nazi skeletons come to life

MORE THAN forty years after the defeat of Nazism, anti-Semitism is still far from dead, and may even be resurgent. In too many countries around the world it is part of their cultural legacy, and a handy political weapon to boot. That is bad enough: but worse is the frequent attempt to deny the facts of anti-Semitism, present and past.

When the president of the Federal Republic of Germany, Richard von Weiszaecker, offers a public apology to the Jewish people, in his own country and elsewhere, for the recent spate of anti-Semitic outbursts by West German officials, applause is therefore due. Mr. von Weiszaecker did it last year, too, in calling on his countrymen to face up to their historic responsibility for the Holocaust. That was when Chancellor Helmut Kohl escorted President Ronald Reagan to the Bitburg military cemetery, where SS soldiers are interred.

Last Thursday Mr. Kohl, reacting to the same series of anti-Semitic incidents to which the president would later refer, denied in a Bundestag address that prejudice against Jews was on the rise in Germany. But he, too, had the grace to warn Germans that they must "continue to learn from their past."

In neighbouring Austria, Adolf Hitler's native land, Dr. Kurt Waldheim is now running for president with the support of the "centrist" People's Party. Earlier this week the Austrian newsmagazine *Profil* brought to light what purported to be a skeleton from Dr. Waldheim's cupboard: the distinguished former foreign minister – and ex-UN secretary general – had in his youth been a member of the SA, the Nazi party's military arm. Substantiating evidence was also submitted this week by the World Jewish Congress and published by *The New York Times*.

This was promptly denied. But within a day Dr. Waldheim made a partial admission. While he had never been a member of the SA, he *had* – after being wounded on the Russian front – been detailed, as a first lieutenant, to a German army unit in Yugoslavia in 1942. That unit, it turns out, was engaged in transporting Balkan Jews to death camps, and its commanding officer, Gen. Alexander Loehr, was executed by the Yugoslavs in 1947 for war crimes.

There is no evidence that Dr. Waldheim was personally engaged in the extermination of Jews. But it is a fact – still to be accounted for – that he chose not to include the Yugoslav chapter in his recently published autobiography.

Farther to the east, in Poland, the Communist government has now, somewhat reluctantly, agreed to buy Claude Lanzman's nine-hour documentary film *Shoah* for showing in movie houses. But a debate is still raging over the film, which makes it incontrovertibly clear what should have been openly acknowledged by now: that while thousands of Poles risked their lives during the war to rescue individual Jews from Nazi clutches, the majority of Poles, oppressed as they themselves were by the Germans, delighted even when they did not actually participate in the Holocaust.

But today's Poles, whether Communist or anti-Communist, will not, most of them, accept co-responsibility for the genocide of the Jews on their own soil.

The *Shoah* controversy has spilled over to the U.S., where it had become a source of friction between the Polish and the Jewish communities. In an effort to minimize it, leaders of the two communities have agreed on a joint series of guidelines for a discussion of the Holocaust. The very first reads: "Discussions of the Holocaust need to be carried out with great sensitivity to the deep meaning of this event to both Poles and Jews."

Poles *and* Jews, indeed. Please have mercy, Jewish brethren in America.

Divorcing idealism from foreign policy

HENRY KISSINGER

NEARLY two weeks after the event, the collapse of the Marcos government still inspires both gratification and ambivalence. Gratification for the banishment of the Marcoses – husband and wife – for their high-handed conduct, their extravagant lifestyle, the corruption which they encouraged and, above all, for the assassination of Benigno Aquino. Gratification also for the good fortune of the emergence of Corazon Aquino, whose fortitude, courage and spirit of conciliation give hope for the rebuilding of democracy. Ambivalence, because a queasy feeling remains for some of us about American conduct on two levels: first, the intensity and near-unanimity of the final American disassociation from an old ally, and second, the implications of this conduct for long-term American policy.

With respect to the first level of ambivalence, whatever else may be said about the Marcos regime, it contributed substantially to American security and had been extolled by American presidents, including President Reagan, for nearly two decades.

The double standard applied to Manila, however necessary at the end, is painful. Ethiopia's Colonel Mengistu continues to receive economic aid despite plausible reports of genocidal practices; the U.S. Secretary of Commerce calls for increased trade with the Soviet bloc. In neither of these areas will the government ever be charged with fraudulently counting votes, since no opposition candidate will survive to that stage of the political process. Conventional wisdom in the case of hostile governments seems to hold that patience accompanied by economic aid or increased trade will in time bring about an amelioration of domestic abuses.

With respect to the second level of ambivalence, I have grave concerns about the implications of these actions for the future, especially if the special case of the Philippines emerges as a general strategy. It should be noted that one group of countries was conspicuous by its refusal to join the general self-congratulation. Asian neighbours of the Philippines such as Indonesia, Thailand or South Korea know only too well that some of their domestic practices – though less flagrant than those of Marcos – could not stand the kind of scrutiny recently applied in Manila. Will they be the next targets of the new American strategy? Will opposition groups seek to trigger U.S. intervention by mass demonstrations, or governments to forestall this by an increase in repression?

China and, probably, Japan cannot avoid asking themselves, as Soviet bases advance down the Indochina coast, how it was possible that senior Americans publicly deprecated the importance of installations in Subic Bay and Clark Air Base for which no study I know about has ever come up with an alternative. What will be the impact on world security – or human rights – if Asian countries decide that they must distance themselves from their intrusive and changeable friend?

THE GRAVEST consequence may be within the United States itself. Ideally, national security concerns should be in harmony with traditional American values. This ideal cannot always prevail, imposing the necessity to strike a balance. To insist then on total purity can lead either to permanent abdication or permanent intervention. In recent years a growing – or at any rate clamorous – group in the Congress has insisted that almost the only American security interest in developing countries friendly to the United States is the promotion of democratic institutions. If this is to be the lesson of Manila, a fateful new interventionism will have been born in which commitments will be almost impossible to balance with responsibilities.

Specifically, does the phrase "democracy is more important to us than bases" mean that America will defend only countries with democratic institutions acceptable to it? Should America then become the global arbiter of democratic elections? Are there no other overriding national interests that must be taken into account? In the light of U.S. congressional attitudes toward covert actions, what means are available to prevail in the bitter domestic struggles abroad that such an interventionist doctrine will generate? Can American national security be sustained when the capacity to overthrow friendly regimes exceeds the capacity to shape the alternative?

Unidentified spokesmen have bragged about the culmination of a two-year campaign carried on against Marcos by second-level American personnel at a time when Mrs. Aquino had not even emerged as a political figure. It would be interesting to know how much of this was told to President Reagan who, until quite late, was asserting that the alternative to Marcos was communism. We were lucky that America's basically unfocused harassment did not produce the chaos it invited. Instead there emerged, literally at the last moment, a leader who had been quite unknown theretofore, capable of uniting the democratic opposition. My misgivings about the prevailing self- righteousness include no doubt about the impeccable democratic credentials of Mrs. Aquino.

Even with its democratic impetus, it is highly likely that when the immediate euphoria has worn off disparate elements will begin to contest for primacy. The history of revolutions teaches that the coalition of resentments which united the opposition disintegrate once the status quo is overthrown. The army, having emerged from the barracks, may prove reluctant to return to the battle against Communist insurgency. Amid these preoccupations and distractions, there is the very real danger of substantial gains in the countryside by the well- disciplined Communist guerrillas. The United States, having encouraged the overthrow of a suddenly unpalatable ally, has a moral commitment to provide maximum help for the Aquino government, lest in the end the best organized and most ruthless – and least democratic – group fills the vacuum.

THESE CHALLENGES, serious enough in the Philippines, are nearly insuperable in different cultural contexts, the major countries of Latin America excepted. Western democracy resulted from a long historical evolution in relatively cohesive societies that were nations before they were states. The state, once it came into existence, reflected but did not create a sense of historic, linguistic and cultural identity. Wherever this condition does not obtain, democracy does not take firm root, even in the West. When majorities are unchangeable – and especially when they follow national or, even more dangerous, racial lines – political contests turn into tests of power. Where boundaries were drawn by colonial masters across tribal, cultural, religious and linguistic lines, the state precedes the nation; indeed, the nation is created by the state. In such circumstances, opposition is conceived not as a legitimate means of seeking office but as a threat to national unity.

This is also why the reform of the military, which is one of the standard U.S. recipes for friendly countries, has a profoundly revolutionary impact. In a constitutional system, a "professional" military commander without personal ties to the chief of state is restrained by a generally accepted legitimacy. Where that is absent, it will be believed that only personal obligation – through family ties or pecuniary awards – can prevent the military chief from exercising his monopoly of power for his own purposes. If this restraint disappears, the military, once in power, may not give it up voluntarily.

Other preconditions for democracy familiar in the West are lacking in many developing countries. Western constitutionalism reflected a religious tradition which asserted that standards of justice, being of divine origin, could be altered by the state only within strictly defined limits; conversely, the church could not develop only when the U.S. sticks too long with unpopular rulers, as in Iran or Nicaragua. There is no doubt that early reform is highly desirable. But it must also be recognized that the U.S. government can only deal with a finite number of problems at one time. Undertaking global political reform is a consuming task. Finding the right moment will always be difficult, especially since there is always a surfeit of urgent issues. Choosing the right means can prove even more complex. Knowing what in fact constitutes democratic reform is something which the West has clearly not thought through. The American partisan debate which puts human rights and national security into separate compartments has further inhibited a resolution.

The anti-Americanism of the Khomeinis or Sandinistas or Mengistus is inherent in their philosophy of a Marxism that brooks no compromise, as in Nicaragua and Ethiopia, or in an Islamic fundamentalism on a crusade against Western values, as in Iran. Neither in Nicaragua nor in Iran did revolutions encouraged by America in fact produce a gain for human rights. Mrs. Aquino should be given all support possible so that the Philippines can be an exception to this trend.

One of the paradoxes of current American conduct is that American conservatives and liberals seem to be able to form a consensus behind overthrowing or at least harassing friendly authoritarian regimes. But they divide sharply on America's right or capacity to pressure regimes considered "progressive" such as Nicaragua or Ethiopia or Angola. Nor is there a consensus, or even machinery, on how to conduct the inevitable contest in those countries where American pressure has succeeded in dissolving the existing structure.

A national discussion over the scope and the purpose of American intervention and of the relationship between American values and American security is long overdue. Clearly, security without values is like a ship without a rudder; but values without security are like a rudder without a ship. The United States has a duty to defend its democratic ideals. But if American policy winds up harassing friendly governments and dithering about hostile ones we will find ourselves, ultimately, in a very lonely world.

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'Neither in Nicaragua nor in Iran did revolutions encouraged by the U.S. produce a gain for human rights'

Dry Bones



READERS' LETTERS

WARTIME MEMORIES

To the Editor of The Jerusalem Post

Sir, – I am writing you just after having finished reading a book by Hans Habe. *In Kind David's Footsteps*, and his writings have stimulated and moved me to communicate with you in the hope that, through the courtesy of your newspaper, I hopefully might be able to re-establish contact with my wartime Jewish friends.

In 1940, as Senior N.C.O. i/c Operations, I assisted in the siting of a Radar Station No. 236 A.M.E.S. across the road from Khyat Beach, Haifa. During my time at this station I was most fortunate to meet and be befriended by the Steinberger family who came from Leipzig.

In 1942/43/44, I was Flight Sergeant i/c Radar Operations Training at R.A.F. Middle East Signals School, Helwan, Egypt, where I made friends with three Jewish servicemen, a Corporal Fuchs, Leading Aircraftsman Erich Zander and Aircraftsman First Class Harry Graber.

I earnestly hope that the passing years have been kind to my wartime friends in Israel and that we may still have time to find each other again and reunite in friendship.

JOHNNY THOMSON
"Thistle Cottage,"
Lochmaben,
Lockerbie, Dumfriesshire,
Scotland DG11 1RG.

HERRING TALES

To the Editor of The Jerusalem Post

Sir, – *Kol hakavod* to Alex Berlyne for his recent fearless exposition of the UJA Herring Papers (February 21).

With all due respect, however, to his diligent research and erudite essay, I should like to point out one glaring error. The unsung hero of this tale was no doubt the UJA's indomitable Issachar Miron who, at the drop of a herring (usually Mel Bloom's), was capable of producing a Reb Nachman tale miraculously suited to any UJA brunch, lunch or dinner.

Now, having duly studied the great wooden chair of the Holy Reb Nachman, recently restored to its original glory by the noted Jerusalem woodcarver Catriel Sugarman (see *The Jerusalem Post* of October 4, 1985), I am sorry to report that I can prove with certainty that the great Rebbe had absolutely no affinity to the heraldic herring. To other, less esteemed forms of flora and fauna, yes: lions, griffins, pomegranates, even sunflowers abound on the Rebbe's royal throne, currently ensconced at Bratslav headquarters in Mea She'arim. Of the holy herring, alas, I can find not a trace.

This leaves me to conclude, as Reb Nachman himself said (or was it Reb Issachar? I leave this for future fish scholars to determine): "When a person is sunk in the desire to feed his face with fish, it is certain that he is far from truth."

BARBARA GINGOLD
Jerusalem.

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